(1)

Supreme Court, U.S.

No. 001134 JAN 16 2001

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In the Supreme Court of the United States

PRIMETIME 24 JOINT VENTURE,
Petitioner,

v.

NATIONAL FOOTBALL LEAGUE,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether the United States Copyright Act applies to the satellite retransmission of domestic television signals to Canada, an issue on which the Second and Ninth Circuits disagree.

CORPORATE DISCLOSURE STATEMENT

In accordance with Supreme Court Rule 29.6, Petitioner PrimeTime 24 Joint Venture, a partnership organized under the laws of the State of New York, states that the following entities might be considered its parent corporations:

American Satellite Network, Inc.
Great Universal Inc.
Great Universal LLC
Great Universal LLC Trust
MIC-USA, Inc.
Millicom International Cellular SA
PrimeTime Relay Corporation
Satellite Broadcast Networks Inc.
Tannen Media Ventures LLC

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PETITION FOR A WRIT OF CERTIORARI

PrimeTime 24 Joint Venture respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit in this case.

OPINIONS AND ORDERS BELOW

The opinion of the Court of Appeals (App., *infra*, 1a-8a) is reported at 211 F.2d 10 (2d Cir. 2000). The opinions of the District Court (App., *infra*, 9a-23a & 24a-36a) are reported at 52 U.S.P.Q.2d 1615 (S.D.N.Y. Sept. 24, 1999) (granting summary judgment) and 50 U.S.P.Q.2d 1461 (S.D.N.Y. Mar. 23, 1999) (denying motion to dismiss).

JURISDICTION

This petition seeks the review of a decision of the United States Court of Appeals for the Second Circuit entered April 28, 2000, as to which a timely petition for rehearing *en banc* was denied on October 17, 2000. Jurisdiction is invoked pursuant to 28 U.S.C. § 1254(1). This petition is timely pursuant to 28 U.S.C. § 2101(c) and Supreme Court Rule 13.3.

STATUTE INVOLVED IN THE CASE

This case involves the proper interpretation of section 106 of the United States Copyright Act (the "Copyright Act" or "Act"), 17 U.S.C. § 101 *et seq.*, which provides in relevant part:

> Subject to sections 107 through 120, the owner of copyright under this title has the exclusive

rights to do or to authorize any of the following:

. . . .

> (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; [and]
>
> (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly[.]

17 U.S.C. § 106.

Under section 101 of the Copyright Act

[t]o perform or display a work "publicly" means -

> (1) to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or
>
> (2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process, whether the

> members of the public capable of receiving the performance or display receive it in the same place or in separate places at the same time or at different times.

17 U.S.C. § 101.

STATEMENT OF THE CASE

A. Factual Background

Petitioner PrimeTime 24 Joint Venture ("PrimeTime 24") is a satellite television carrier that retransmits the signals of the ABC, CBS, Fox and NBC television networks to owners of satellite dish antennae. These signals include games of Respondent National Football League ("NFL" or "League").

PrimeTime 24 fiber-optically uplinks the relevant network signals at ground stations in the United States and retransmits those signals to orbiting satellites. From the satellites, the signals are downlinked to subscribers who pay a fee to receive the PrimeTime 24 service.

PrimeTime 24's authority to retransmit network programming in the United States is found in the Satellite Home Viewer Act ("SHVA"), 117 U.S.C. § 119, which creates a special statutory license permitting satellite carriers to deliver network signals to certain U.S. households.

The territory covered by the signals relayed from PrimeTime 24's satellites (referred to as their "footprint") includes portions of Canada. PrimeTime 24 thus also serves subscribers in that country. PrimeTime 24's actions are permitted by Canadian law, and the company contracts with its distributors to pay the royalties required in that country.

B. Proceedings Below

On May 27, 1998, the NFL sued PrimeTime 24 in the United States District Court for the Southern District of New York alleging copyright infringement. Jurisdiction in the District Court was predicated on 28 U.S.C. §§ 1331 and 1338. The League alleged, *inter alia*, that PrimeTime 24's satellite retransmission of NFL games to Canada violated the League's exclusive rights to publicly perform and/or display those games codified at sections 106(4) and 106(5) of the Copyright Act.[1] PrimeTime 24 moved to dismiss the complaint pursuant to Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim upon which relief could be granted. The basis of PrimeTime 24's motion to dismiss was that the Copyright Act does not apply outside the United States. Accordingly, since the only disputed showing of football games occurred abroad, no infringement claim could lie.[2] PrimeTime 24's argument drew, in part, on Ninth

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[1] The NFL also alleged that PrimeTime 24 violated some independent authorization right found in the Copyright Act when it authorized the receipt of League games in Canada, *see* 17 U.S.C. § 106, and that PrimeTime 24 violated the territorial restrictions of SHVA, which limits the statutory license created thereby to "households located in the United States." 17 U.S.C. § 119(a)(7). The first of these arguments was rejected by the District Court, App., *infra*, 32a-33a, and the second was rejected by the Second Circuit. *Id.* at 7a-8a.

[2] Although framed as a motion to dismiss for failure to state a claim under Federal Rule of Civil Procedure 12(b)(6), PrimeTime 24's motion to dismiss could equally have been brought under Rule 12(b)(1) for lack of subject matter jurisdiction. *See Quantitative Fin. Software, Ltd. v. Infinity Fin. Tech., Inc.*, 47 U.S.P.Q.2d 1764 (S.D.N.Y. 1998)(McKenna, J.)(United States courts do not have subject matter jurisdiction over actions for infringements outside of the United States).

Circuit precedent directly on point. *Allarcom Pay Television v. General Instrument Corp.*, 69 F.3d 381 (9th Cir. 1995).

In response to PrimeTime 24's motion to dismiss, the NFL argued that each link in the chain by which a work wends its way to its public is itself a public performance or display of that work and, as such, can constitute an act of infringement. According to the NFL, PrimeTime 24's uplink retransmission of League games from the United States to the satellites violated the NFL's copyrights in those games, even though the eventual destination of those signals was not the United States, but Canada. By necessity, the League also argued that *Allarcom* was wrongly decided.

The District Court agreed with the NFL, rejected *Allarcom*, and on March 23, 1999, denied PrimeTime 24's motion to dismiss. App., *infra*, 24a-36a. Upon the NFL's subsequent motion, the District Court granted the League summary judgment on the question of liability, *id.* at 9a-23a, and issued a permanent injunction barring PrimeTime 24's retransmissions of NFL games to Canada.

On October 22, 1999, PrimeTime 24 moved for a stay of the District Court's injunction pending appeal. On November 16, 1999, three judges of the Second Circuit stayed the injunction without opinion and expedited the appeal. App., *infra*, 37a. Thereafter, a different three judge panel of the Second Circuit largely affirmed the District Court's decision. App., *infra*, 1a-8a. In its April 28, 2000 opinion, the panel agreed with the District Court that PrimeTime 24's uplink retransmission of NFL game signals to satellite in and of itself constituted an actionable public performance and/or display under the United States Copyright Act, notwithstanding the fact that the only disputed audience for the games was in Canada. *Id.* at 7a. Like the District Court before it, the Second Circuit expressly rejected *Allarcom*. *Id.* at 6a ("The Court of Appeals for the Ninth

Circuit has suggested a different result.")(citing *Allarcom*). PrimeTime 24 timely petitioned for rehearing *en banc*, which was denied on October 17, 2000. *Id.* at 38a-39a.

REASONS FOR GRANTING THE WRIT

The Second Circuit's break with the Ninth Circuit must be viewed against the backdrop of the "undisputed axiom" that the United States Copyright Act does not apply outside this country. 3 David Nimmer & Melville B. Nimmer, *Nimmer on Copyright* § 12.04[A][3][b], at 12-85 (2000)(hereafter "*Nimmer*"). Since at least 1908, this Court and every circuit court to rule on the question have uniformly held that United States copyright rules do not extend beyond the borders of this country. *See, e.g., United Dictionary Co. v. G. & C. Merriam Co.*, 208 U.S. 260, 264-66 (1908); *Filmvideo Releasing Corp. v. Hastings*, 668 F.2d 91, 93 (2d Cir. 1981); *Nintendo of Am., Inc. v. Aeropower Co.*, 34 F.3d 246, 249 n.5 (4th Cir. 1994); *Liberty Toy Co. v. Fred Silver Co.*, 1998 WL 385469, at *3 (6th Cir. 1998)(unpublished opinion); *Iverson v. Grant*, 1998 WL 2887, at *1 (8th Cir. 1998)(unpublished opinion); *Yount v. Acuff Rose-Opryland*, 103 F.3d 830, 835 (9th Cir. 1996).

Two circuits -- the Second and the Ninth -- have recognized a single narrow exception to the general rule: the Act can reach foreign activities where a predicate infringing act occurs in the United States that enables further "infringement" abroad. *Update Art, Inc. v. Modiin Publ'g, Ltd.*, 843 F.2d 67, 73 (2d Cir. 1988); *Los Angeles News Serv. v. Reuters Television Int'l*, 149 F.3d 987, 991-92 (9th Cir. 1998). In order for this exception to apply, it does not suffice for an act in the United States to be part of a continuum of events, or a link in the chain of causation, leading to an "infringement" abroad. Rather, the domestic act must itself constitute an infringement. *See Robert Stigwood Group Ltd. v. O'Reilly*, 530 F.2d 1096, 1101 (2d Cir.)(holding that

preparations within the United States for performances of copyrighted works in Canada were insufficient to confer jurisdiction over the extraterritorial "violations" because the preparations were not themselves violations of the Act), *cert. denied*, 429 U.S. 848 (1976); *De Bardossy v. Puski*, 763 F. Supp. 1239, 1245 (S.D.N.Y. 1991)(noting that the "'link in the chain' argument . . . was rejected by the Second Circuit")(citing *Robert Stigwood*). Thus, only by finding (for the first time) that each *domestic* step in the process by which a work wends its way to a *foreign audience* is itself an infringing public performance and/or display, was the Second Circuit able to overcome the rule against extraterritoriality and reach PrimeTime 24's Canadian subscribers.

A. The Second Circuit Expressly Rejected Ninth Circuit Precedent Directly On Point.

In order to reach their conclusions, both the District Court and the Second Circuit had to reject *Allarcom*, as the facts of that case are virtually identical to the facts here. The plaintiff in *Allarcom* held the exclusive rights to distribute certain motion pictures in western Canada, while defendant Showtime held a limited license permitting it to distribute many of the same movies in the United States. Like PrimeTime 24 here, Showtime transmitted its programming by satellite. Because Showtime's satellite footprint was large enough to cover western Canada, some of the plaintiff's potential subscribers were able to receive Showtime's signals using modified satellite reception equipment, thereby undermining the exclusivity of the plaintiff's rights in western Canada. The Ninth Circuit held that the Copyright Act could not apply to these facts because "federal copyright law does not apply to extraterritorial acts of infringement." 69 F.3d at 387 (citing *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088, 1095 (9th Cir.), *cert. denied*, 510 U.S. 1001 (1994)). The court explained that

> in order for U.S. copyright law to apply, at least one alleged infringement must be completed entirely within the United States . . . . In this case, defendants either initiated a potential infringement in the United States by broadcasting the Showtime signal, which contained copyrighted material, or defendants authorized people in Canada to engage in infringement. In either case, ***the potential infringement was only completed in Canada once the signal was received and viewed.***

Id. at 387 (citations omitted; emphasis added). As in *Allarcom*, the audience about which the NFL complains exists only abroad; the disputed "public" performance/display of NFL game telecasts occurs only upon downlink to viewers outside the United States.

While the Second Circuit acknowledged that *Allarcom* would compel a different result in this case, it nonetheless declined to follow that precedent, on the ground that the Ninth Circuit's opinion "contains no analysis of the Copyright Act." App., *infra*, 7a. It is worth noting, however, that the Ninth Circuit has continued to embrace *Allarcom*, refuting any suggestion that somehow that decision has no enduring significance. *See, e.g.*, *Los Angeles News Serv.*, 149 F.3d at 990; *Leisure Time Entm't, Inc. v. Cal Vista*, 185 F.3d 867, 1999 WL 459579 (9th Cir. 1999)(unpublished decision). Moreover, as further discussed below, the Second Circuit's decision itself contains no analysis of the core issue in this international case. The result is not only a split between two key circuits on matters of copyright law, but an absence of clarity in a burgeoning area of international copyright law.

B. The Second Circuit's Decision Relies On Seventh Circuit Precedent Which Does Not Answer The International Question Presented Here, And Which Is Entirely Consistent With The Ninth Circuit's Rule.

Rather than follow *Allarcom*, the only case dealing with the retransmission of domestic television signals outside the United States, the Second Circuit chose instead to rely on a case involving wholly *domestic* transmissions -- the Seventh Circuit's decision in *WGN Continental Broadcasting Co. v. United Video, Inc.*, 693 F.2d 622 (7th Cir. 1982). *See* App., *infra*, 4a-5a. In *WGN*, the Seventh Circuit ruled that an intermediate satellite carrier publicly performed copyrighted television programming when it transmitted that programming to cable companies which, in turn, relayed the signals to the American public. According to the *WGN* court, it made no difference that the satellite carrier itself did not actually deliver the signals to the public. 693 F.2d at 625. Analyzing the definitions set forth in section 101 of the Act, the *WGN* court stated that "the Copyright Act defines 'perform or display . . . publicly' broadly enough to encompass indirect transmission to the ultimate public." *Id.* From *WGN* and its progeny, the Second Circuit concluded that PrimeTime 24's first retransmission to satellite constitutes an intermediate transmission akin to the satellite carrier's transmission to cable systems in *WGN*, and consequently that PrimeTime 24's domestic conduct here was actionable under the Copyright Act. App., *infra*, 7a.

PrimeTime 24 accepts the Seventh Circuit's analysis as entirely correct in its own intra-national setting. The *WGN* rule has, however, no application to this extraterritorial case. The key distinction between *WGN* and this case -- the

distinction that makes *Allarcom* the only relevant precedent -- is the ultimate destination of the disputed signals. In *WGN* it was the United States; here and in *Allarcom* it is Canada. *See* 693 F.2d at 625 (noting that the indirect transmissions at issue were to "the subscribers to WGN's cable affiliate in Albuquerque"). Properly viewed, *WGN* stands only for the unremarkable proposition that when a transmission chain ends in a performance or display which itself triggers a copyright holder's rights under sections 106(4) or 106(5) of the Act (i.e., a performance or display before the public in the United States), any intermediate link in that chain may also be actionable under those sections. In other words, all the *WGN* court concluded was that intermediaries who contribute to rights-triggering performances or displays may also be held liable under the Copyright Act. *Cf.* 3 *Nimmer* § 12.04[A][2], at 12-72 to 12-82 (discussing contributory infringement). Like *WGN*, all the other cases cited by the Second Circuit involved only transmission chains beginning and ending in the United States. *See Hubbard Broad., Inc. v. Southern Satellite Sys., Inc.*, 593 F. Supp. 808 (D. Minn. 1984), *aff'd*, 777 F.2d 393 (8th Cir. 1985); *David v. Showtime/The Movie Channel*, 697 F. Supp. 752 (S.D.N.Y. 1988); *National Cable Television Ass'n, Inc. v. Broad. Music, Inc.*, 772 F. Supp. 614 (D.D.C. 1991); *Coleman v. ESPN, Inc.*, 764 F. Supp. 290 (S.D.N.Y. 1991); *Broadcast Music, Inc. v. Hearst/ABC Viacom Entm't Servs.*, 746 F. Supp. 320 (S.D.N.Y. 1990).

In contrast to *WGN*, the final link in the transmission chain here results in a performance/display before the Canadian public that is *not* actionable under the Copyright Act, even under Second Circuit law. *See Robert Stigwood*, 530 F.2d at 1101 (performances before Canadian audiences do not count in computing statutory damages); *see also Gaste v. Kaiserman*, 683 F. Supp. 63, 65 (S.D.N.Y.)(foreign performances beyond the reach of the Copyright Act), *aff'd*, 777 F.2d 393 (2d Cir. 1988); *Goodman v. Lee*, 1994 WL

7107138, at *14-15 (E.D. La. 1994)(same). Logic dictates that the intermediate link is also not actionable.

The Second Circuit's opinion appears motivated by a sense of what the law *should* be. Apart from dismissing *Allarcom* as containing no analysis of the Copyright Act, the Second Circuit's opinion casts the Ninth Circuit's decision aside as the "subject of non-judicial criticism." App., *infra*, 6a-7a (citing, *inter alia*, Jane C. Ginsburg, *Extraterritoriality and Multiterritoriality in Copyright Infringement*, 37 VA. J. INT'L L. 587, 598 (1997)). Yet, that criticism is rooted in policy considerations and not tied to the language of the Copyright Act as now written. 37 VA. J. INT'L L. at 598

The effect of the Second Circuit's decision is to create a heretofore unrecognized right to prevent the retransmission of domestic television signals to audiences outside the United States. Whether the creation of such a right is a proper exercise of judicial power is a question that demands examination by this Court. *See National Broiler Mktg. Ass'n v. United States*, 436 U.S. 816, 827 (1978) (noting that "a statute is not an empty vessel into which this Court is free to pour a vintage that we think better suits present-day tastes. . . . Considerations of this kind are for the Congress, not the courts.")(citation omitted).

Even as it criticized the Ninth Circuit for failing to analyze the Copyright Act, the Second Circuit itself did not explain how domestic and extraterritorial retransmissions can be treated the same in view of the "undisputed axiom" that the Copyright Act does not apply abroad. Indeed, the opinion does not even mention the rule precluding the extraterritorial application of U.S. copyright law, much less analyze its implications in this case. Instead, it skirts the issue altogether when it states "PrimeTime's uplink transmission of signals captured in the United States is a step in the process by which NFL's protected work wends its way to a public audience."

App., *infra*, 7a (emphasis added). In so ruling, the Second Circuit's decision suggests that it makes no difference whether the viewing public is in Canada or in the United States. Whether the distinction does make a difference, and whether the Ninth or Second Circuit's rule is correct, is precisely the question this Court must answer.

C. The Second Circuit's Decision Effectively Gives Global Reach To The United States Copyright Act And Clashes With The Laws Of Canada.

The rule prohibiting the extraterritorial application of the Copyright Act is grounded on the principle of respect for the laws of other nations, or comity. *See Subafilms*, 24 F.3d at 1096-98 (discussing importance of comity to the international copyright regime); *see also EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991) (observing that the general presumption against applying U.S. law abroad protects "against unintended clashes between our laws and those of other nations which could result in international discord")(citation omitted). Contravening this sound policy, the Second Circuit's decision gives international reach to the Copyright Act. The injunction against PrimeTime 24 does nothing to alter its domestic business activities, but merely prevents households in Canada from receiving PrimeTime 24's retransmissions.

The danger of conflict with the laws of Canada is not just hypothetical. In fact, the Second Circuit's decision puts American and Canadian law in direct conflict. Under Canadian copyright law, PrimeTime 24's retransmission activities are entirely legal. Section 31 of the Canadian Copyright Act functions in a manner akin to the compulsory license provisions of SHVA -- it permits the retransmission of

distant television signals to *any* household in Canada provided that a statutorily-mandated royalty is paid. *See* Copyright Act, R.S.C. ch. C-42, § 31 (1985)(as amended)(Can.). In fact, each of PrimeTime 24's Canadian distributors is contractually obligated to pay all royalties due under Canadian law. Moreover, the NFL is a member of a copyright collective which collects royalties attributable to cable and satellite retransmissions like PrimeTime 24's. The Second Circuit's decision thus prohibits under U.S. law activities that Canada, the nation where the disputed showing of games actually occurs, has decided are perfectly legal. *See Subafilms* at 1097 ("Extraterritorial application of American law . . . might offend other . . . nations by effectively displacing their law in circumstances in which previously it was assumed to govern."). Such interference with the laws of other nations must only be permitted, if at all, after a close examination of the applicable legal principles and a careful evaluation of all the consequences. PrimeTime 24 respectfully submits that the intervention of this Court is warranted to determine whether such interference with the laws of another nation is justified here.

D. The Importance Of This Case Extends Beyond The Current Dispute.

This case has clear importance beyond the instant dispute. Its broader implications are evident just from the roll of amici who filed briefs in this case before the Second Circuit. All four of the major television networks, the Office of the Commissioner of Baseball, the National Basketball Association, the National Hockey League and the Motion Picture Association of America joined the NFL in presenting arguments to the Second Circuit. In light of the evident industry-wide interest in these matters, the uncertainty created by the split between the Ninth and Second Circuits is particularly troubling and requires review by this Court.

The need for clarity in this area of the law is made even more acute by the recent proliferation of technologies making possible the transnational diffusion of audiovisual works, including satellite television and internet "web-casting." The issues presented here will arise with increasing frequency in the years ahead. Indeed, the NFL itself has a substantially similar case pending in the courts of still another circuit. *National Football League v. Insight Telecomms. Corp.*, Civil No. 99-CV-12053-RCL (D. Mass.).

If it required any further confirmation, the need for adjudication of the issues raised by these new technologies is also evidenced by the fact that just last month the World Intellectual Property Organization ("WIPO") convened a diplomatic conference to address a proposed international treaty on the protection of audiovisual performances. *See World Intellectual Prop. Org., Conferences Meetings and Seminars*, at http://www.wipo.int/news/en/index.html (last visited December 27, 2000). Citing "the profound impact of the development and convergence of information and communication technologies on the production and use of audiovisual performances" and recognizing "the need to maintain a balance between the rights of performers . . . and the larger public interest," WIPO's proposed treaty on audiovisual performances sets forth governing norms in this area of law. *World Intellectual Prop. Org., Basic Proposal for the Substantive Provisions of an Instrument on the Protection of Audiovisual Performances to be Considered by the Diplomatic Conference*, preamble at 17, at http://www.wipo.int/news/en/index.html (August 1, 2000) Notably, the treaty specifically encompasses satellite television broadcasts, although the precise question presented here is not addressed. *See id.*, art. 2(d) at 25 (defining "broadcasting"). In view of the increasing volume of transnational television signals, most of which originate in this country, and the resulting variety of regulatory efforts, review by this Court is necessary.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX A

UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

[Filed April 28, 2000]

[Argued January 25, 2000]

Docket Nos. 99-9244, 99-9388

NATIONAL FOOTBALL LEAGUE,
Plaintiff-Appellee,
v.
PRIMETIME 24 JOINT VENTURE,
Defendant-Appellant.

VAN GRAAFEILAND, *Circuit Judge*:

As almost every red-blooded American knows, the National Football League ("NFL") televises most of its weekly football games. Simultaneously with the broadcast, NFL makes videotape recordings of the games, which it registers with the United States Copyright Office.

PrimeTime 24 Joint Venture ("PrimeTime") is a satellite carrier that makes secondary transmissions of copyrighted television network programming to owners and renters of satellite dish antennae. PrimeTime has a statutorily granted license to make satellite transmissions to its subscribers in United States households that do not have adequate over-the-air broadcast reception from primary television stations, i.e., "unserved" households. *See generally* 17 U.S.C. § 119. However, PrimeTime has not limited its retransmissions to unserved households in the United States. Without securing permission from NFL, PrimeTime also makes secondary transmissions of football broadcasts to its satellite subscribers in Canada.

On several occasions in 1997, NFL officials wrote to PrimeTime demanding that this practice stop. The following excerpt from one of PrimeTime's replies explains why PrimeTime believes it has the right to continue this practice:

> Next, I would like to address your assertion that the provision of PrimeTime 24's service to subscribers in Canada infringes your copyright in the United States, notwithstanding the facts that all of the recipients in question are in Canada, and PrimeTime 24's actions in this regard comport with applicable Canadian law. Under United States copyright law, the NFL is entitled to control the "public" display or performance of any audiovisual work for which it holds a valid copyright. Accordingly, there can be no infringement of the NFL's rights unless and until there has been a public display or performance. Because the copyright

> laws of the United States have no extraterritorial applicability, "public" performances that occur in other countries cannot trigger liability for copyright infringement under the laws of the United States. Instead, the law of the country in which the public performance does take place protects the copyright holder.

Letter from Sid Amira, Chairman and Chief Executive Officer of PrimeTime, to Frank Hawkins, Vice President of NFL (Aug. 8, 1997).

PrimeTime's continued retransmission of NFL programming into Canada resulted in the litigation now before us. By a memorandum and order dated March 23, 1999, the United States District Court for the Southern District of New York (McKenna, *J.*) denied PrimeTime's motion to dismiss NFL's complaint. By a decision dated September 24, 1999, the district court granted NFL's motion for summary judgment and referred the case to a magistrate judge for calculation of fees and damages. On October 18, 1999, the district court issued an order permanently enjoining PrimeTime from retransmitting telecasts of NFL football games outside the United States. PrimeTime asks us to reverse the final injunction.

Under the Copyright Act, the owner of a copyright has the exclusive right publicly to perform and display the copyrighted material. 17 U.S.C. § 106(4) & (5). The Act explains that the right to perform copyrighted material publicly includes the right "to transmit or otherwise communicate a performance . . . of the work . . . to the

public, by means of any device or process, whether the members of the public capable of receiving the performance . . . receive it in the same place or in separate places and at the same time or at different times." *Id.* § 101. Congress stated that "[e]ach and every method by which [ ] images or sounds comprising a performance or display are picked up and conveyed is a 'transmission,' and if the transmission reaches the public in [any] form, the case comes within the scope of [§ 106(4) or (5)]." H.R. REP. NO. 94-1476, at 64 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5678.

The issue in this case is whether PrimeTime publicly performed or displayed NFL's copyrighted material. PrimeTime argues that capturing or uplinking copyrighted material and transmitting it to a satellite does not constitute a public display or performance of that material. PrimeTime argues that any public performance or display occurs during the downlink from the satellite to the home subscriber in Canada, which is in a foreign country where the Copyright Act does not apply. Although this Court has not squarely resolved the issue, several courts have rejected PrimeTime's reasoning.

In *WGN Continental Broad. Co. v. United Video, Inc.*, 693 F.2d 622, 624-25 (7th Cir. 1982), the Seventh Circuit considered whether an intermediate carrier had publicly performed copyrighted television signals by capturing broadcast signals, altering them and transmitting them to cable television systems. The court determined that "the Copyright Act defines 'perform or display . . . publicly' broadly enough to encompass indirect transmission to the ultimate public." *Id.* at 625. Consequently, the *WGN* court concluded that an intermediate carrier is not immune from

copyright liability simply because it does not retransmit a copyrighted signal to the public directly but instead routes the signal to cable systems, which then retransmit to the public. *Id.*

Judge Posner, writing for the court in *WGN*, noted that a contrary result would render the passive carrier exemption in the Act superfluous. *Id.* The passive carrier exemption provides that a secondary transmission is not copyright infringement if the transmitter has no control over the content or selection of the original signal or over the recipients of the secondary transmission and provides only the wires, cables, or communication channels for the use of others. *See* 17 U.S.C. § 111(a)(3). In other words, if a copyrighted signal is publicly performed or displayed only when received by viewers, there would be no need for a passive carrier exemption because these passive intermediate carriers "do not transmit directly to the public." *WGN,* 693 F.2d at 625. A district court in the Eighth Circuit has reached the same result. See *Hubbard Broad., Inc. v. Southern Satellite Sys., Inc.*, 593 F. Supp. 808, 813 *(D. Minn. 1984), affirmed*, 777 F.2d 393 (8th Cir. 1985) (finding secondary transmissions to be public performances whether made directly or indirectly to public).

District courts in this Circuit have agreed that a transmission need not be made directly to the public in order for there to be a public performance or display. For example, in *David v. Showtime/The Movie Channel, Inc.*, 697 F. Supp. 752, 759 (S.D.N.Y. 1988), Judge Tenney concluded that "Congress intended the definitions of 'public' and 'performance' to encompass each step in the process by which a protected work wends its way to its audience." Judge

Tenney further stated that the definition of transmit "is broad enough to include *all conceivable forms and combinations* of wired or wireless communications media." *Id. at 758-59* (quoting H.R. REP. NO. 94-1476, at 64).

Other district courts have relied on *David* to reach the same conclusion. *See National Cable Television Ass'n, Inc. v. Broadcast Music, Inc.*, 772 F. Supp. 614, 650-51 (D.D.C. 1991) (citing analysis in *David* with approval); *Coleman v. ESPN, Inc.*, 764 F. Supp. 290, 294 (S.D.N.Y. 1991) ("Transmissions by a cable network or service to local cable companies who in turn transmit to individual cable subscribers constitute 'public performances' by the network."); *Broadcast Music, Inc. v. Hearst/ABC Viacom Entertainment Servs.*, 746 F. Supp. 320, 328-29 (S.D.N.Y. 1990) (finding public performance when cable supplier transmitted signal to cable operator that then relayed signal to viewers); see also *National Ass'n of Broadcasters v. Copyright Royalty Tribunal*, 809 F.2d 172, 179 n.9 (2d Cir. 1986) (noting that cable retransmissions are recognized as public performances under § 106(4)).

The Court of Appeals for the Ninth Circuit has suggested a different result. When considering whether the Copyright Act preempted state law, that Court stated that copyright infringement does not occur until the signal is received by the viewing public. *See Allarcom Pay Television, Ltd. v. General Instrument Corp.*, 69 F.3d 381, 387 (9th Cir. 1995). This opinion has been subject to some non-judicial criticism, which we need not repeat. *See* Jane C. Ginsburg, *Extraterritoriality and Multiterritoriality in Copyright Infringement*, 37 VA. J. INT'L L. 587, 598 (1997); Andreas P. Reindl, *Choosing Law in Cyberspace: Copyright Conflicts*

on Global Networks, 19 MICH. J. INT'L L. 799, 823 n.84 (1998). We accord the decision little weight largely because it contains no analysis of the Copyright Act.

We believe the most logical interpretation of the Copyright Act is to hold that a public performance or display includes "each step in the process by which a protected work wends its way to its audience." *David,* 697 F. Supp. at 759. Under that analysis, it is clear that PrimeTime's uplink transmission of signals captured in the United States is a step in the process by which NFL's protected work wends its way to a public audience. In short, PrimeTime publicly displayed or performed material in which the NFL owns the copyright. Because PrimeTime did not have authorization to make such a public performance, PrimeTime infringed the NFL's copyright.

We do not rely on the Satellite Home Viewer Act ("SHVA"), 17 U.S.C. § 119, in arriving at this conclusion. Both parties contend that the Act's creation of a statutory copyright license for certain United States households supports their interpretation of the Copyright Act with respect to PrimeTime's Canadian subscribers. An examination of the congressional reports leading to the adoption of the SHVA discloses that Congress was concerned about the "millions of Americans" who live "in areas where the reception of off-air network signals is not possible or is of unacceptable quality," and the proposed bill simply "resolves the legal issues surrounding provision of broadcast signals to rural America." TRADEMARK LAW REVISION ACT OF 1988 - SATELLITE HOME VIEWER ACT OF 1988, H.R. REP. NO. 100-887(II), at 6-7 (1988), reprinted in 1988 U.S.C.C.A.N. 5638, 5643-44. We see no need to extract

more from this "interim" statutory solution than Congress put into it.

APPENDIX B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[Filed September 24, 1999]

No. 98 Civ. 3778 (LMM)

NATIONAL FOOTBALL LEAGUE,
Plaintiff,
v.
PRIMETIME 24 JOINT VENTURE,
Defendant.

McKENNA, D.J.

MEMORANDUM AND ORDER

1.

Plaintiff National Football League ("NFL") moves, and defendant PrimeTime 24 Joint Venture ("PrimeTime") cross-moves, for summary judgment pursuant to Fed. R. Civ. P. 56. NFL's motion is granted and PrimeTime's motion is denied. NFL has demonstrated that it owns the copyrights in

the telecasts of 123 of its games broadcast during the period August 31, 1997 through December 27, 1998, and that PrimeTime has infringed at least some of those copyrights. PrimeTime has failed to show that there is a material issue of fact in this regard, and NFL "is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). Further, NFL has shown that it is entitled to a permanent injunction.

2.

The allegations of the complaint are summarized in the Court's Memorandum and Order denying PrimeTime's motion, pursuant to Fed. R. Civ. P. 12(b)(6), for dismissal. *National Football League v. PrimeTime 24 Joint Venture, 1999 U.S. Dist. LEXIS 3592, No. 98 Civ. 3778, 1999 WL 163181* (S.D.N.Y. Mar. 24, 1999). Familiarity with that decision (the "March 24, 1999 Order") is assumed.

3.

PrimeTime does not dispute that NFL is the owner of the copyrights in the telecasts of 123 NFL games broadcast during the period August 31, 1997 through December 27, 1998, at least some of which are claimed to have been infringed by PrimeTime.[1]

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[1] See Roman Decl. ¶¶ 2-3 and Exs. A (listing games) & B (copies of certificates of registration (or applications therefor) of copyright in the telecasts).

In response to requests for admissions pursuant to Fed. R. Civ. P. 36 (Roman Decl. Ex. N), PrimeTime has admitted that "in 1997 [it] made secondary transmissions of U.S. network programming including NFL game telecasts for receipt by dish owners located outside the United States" (*id.* ¶ 8), that "in 1998 [it] made secondary transmissions of U.S. network programming including NFL game telecasts for receipt by dish owners located outside the United States" (*id.* ¶ 9), and that "unless enjoined, [it] intend[s] in the future to make secondary transmissions of U.S. network programming including NFL game telecasts for receipt by dish owners located outside the United States." (*Id.* ¶ 10.)

PrimeTime also admits that "in the past [it has] received over-the-air broadcast signals in the United States of U.S. network programming including NFL game telecasts and retransmitted those NFL game telecasts to one or more satellites for further retransmission to locations outside the United States" (*id.* ¶ 39), but states that it is unable to make the same admission as to 1997 and 1998 because its "current practice is to receive all network programming signals via direct fiber-optic uplink" and that that practice began at a time it cannot determine precisely. (*Id.* ¶¶ 40-41.)

NFL has submitted specific evidence that during 1997, more than 20 of its games, of which it is the owner of the copyright, were broadcast into Canada on channels PT 24 East, PT 24 West and PT 24 FOXNET (Roman Decl. Exs. K, L & M) and that those channels were available in Canada as "the full package of PrimeTime 24 programming." (*Id.* Ex. K ¶ 4.) PrimeTime does not dispute that it caused these games to be retransmitted to Canada, nor that it causes, and intends

to continue to cause, other NFL games of which NFL is the owner of the copyright, to be retransmitted to Canada.

PrimeTime does not claim that it is a licensee of NFL.

On these undisputed facts and admissions, under the law as the Court found it to be in the March 24, 1999 Order, NFL is entitled to summary judgment. Entirely apart from the law of the case doctrine, the Court adheres to the determinations expressed in that decision. Nor is the Court persuaded by the new arguments, or variations on old arguments, now advanced by PrimeTime.

4.

PrimeTime argues that the manner in which it provides network signals to Canada[2] differs from what the complaint suggests, and that that difference makes a legal difference. The Court disagrees.

PrimeTime describes its manner of transmitting U.S. network programming to Canada as follows:

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[2] PrimeTime has denied that it made during 1997 and 1998, and intends to make if not enjoined, secondary transmissions of U.S. network programming including NFL game telecasts for receipt by dish owners in Latin America or the non-U.S. Caribbean. (Roman Decl. Ex. N. ¶¶ 19-26.) PrimeTime takes the position that "this case is only about [its] service to individual subscribers in Canada." (Def. Mem. at 3 n.1.)

> In reality, the signals received by [PrimeTime's] Canadian subscribers are the same network signals, originating from the same sources, and delivered at the same time, using the same equipment, as the network signals received by [PrimeTime's] American subscribers. The specific mechanisms by which [PrimeTime] subscribers (American and Canadian) receive their network signals are easily described. In the case of the relevant non-Fox stations, the signals are fiber optically uplinked and retransmitted by a service provider named Williams Vyvx Services to two satellites on which [PrimeTime] leases transponders. Fox, on the other hand, transmits its national Fox Net signal to its own satellite for further retransmission to designated recipients (including cable providers and others). Pursuant to contract with [PrimeTime], Fox makes the signals from its satellite directly available to [PrimeTime] subscribers. In the past, including during the 1997 and 1998 NFL seasons, Fox itself retransmitted the Fox Net signal to the relevant [PrimeTime] satellite. The arrangement was altered to the one described just above as of May 3, 1999.
>
> Once the various signals reach the relevant satellite (Fox's own satellite in the case of Fox, and one of two satellites on which [PrimeTime] leases transponders in the case of the various affiliates), the signals are relayed

> to Earth. The territory covered by the signals relayed from the satellites (their "footprints") includes portions of Canada. [PrimeTime] has no control over the size or shape of the satellites' footprints. The dimensions of the footprints were determined by the satellites' owners prior to launch. In addition to [PrimeTime's] domestic subscribers, a small number of Canadians residing within the satellites' "footprints" have subscribed for PrimeTime services. PrimeTime's Canadian subscribers thus receive NFL game signals as a result of the very same steps PrimeTime takes to exercise its rights under [the Satellite Home Viewer Act ("SHVA"), 17 U.S.C. § 119].

(Def. Mem. at 3 (citing Weinstein Aff., June 14, 1999, ¶¶ 7-8).)

Against that background, PrimeTime argues that there is no "domestic *infringing* act permitting further 'infringement' abroad that a court can take cognizance of" (Def. Mem. at 4), because PrimeTime's "uplink and retransmission of [NFL] game signals to satellite, the purportedly 'infringing' acts the Court identified, are actually encompassed within [PrimeTime's] statutory license." (*Id.* at 5 (footnote omitted).)[3] In other words, according to

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[3] PrimeTime notes that, during the 1997 and 1998 NFL seasons, "the signals of the Fox network were uplinked and retransmitted by Fox for [PrimeTime]." (*Id.* at 5 n.2.)

PrimeTime, since it has a statutory license under 17 U.S.C. § 119 to take the game signals for the purpose of retransmitting them to domestic viewers (subject, of course, to the statute's conditions), and that does not constitute infringement, it follows that it may do so also for transmitting them to foreign viewers. "Either the uplink and retransmission is infringing or it is not." (Def. Mem. at 5.) But that is not so. A license -- whether private or statutory -- is limited by its terms. Here, Congress (in effect the licensor), has clearly limited the license: "The statutory license created by this section [17 U.S.C. § 119] shall apply only to secondary transmissions to households located in the United States." *Id.* § 119(a)(7).[4] Thus, while PrimeTime may be permitted by the terms (and subject to the conditions) of 17 U.S.C. § 119 to uplink and retransmit signals to domestic viewers, it may not, absent a license from the copyright owner, uplink and retransmit signals to foreign viewers.

Nor do the means by which PrimeTime obtains the NFL game signals make a legal difference: Whether by fiber optic uplink or otherwise, or whether through contractual arrangements with its service provider or with Fox (in those arrangements' past or the present version) (Weinstein Aff.,

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[4] PrimeTime invites the Court to reexamine Section 5 of the March 24, 1999 Order, *National Football League v. PrimeTime 24 Joint Venture*, 1999 WL 163181,*4-*5. (Def. Mem. at 6-7.) The Court has done so and remains convinced of its conclusion. (The Court adds that the statutory phrase "located in the United States," 17 U.S.C. § 119(a)(7), is not a mere "isolated phrase." (Def. Mem. at 6.) It is part of a single sentence, which constitutes a separate subsection of 17 U.S.C. § 119, and the Court finds no reason to think that it was the result of Congressional inadvertence.)

June 14, 1999, PP 8, 13), PrimeTime is taking telecasts originating in the United States and transmitting them by satellite to foreign viewers.

As to PrimeTime's suggestion, if it be one, that because it cannot control satellite "footprints," it is absolved of infringement, that suggestion is met by NFL's observation that PrimeTime "has the power to shut off (or not to sell) its service to Canadian subscribers, who, without [PrimeTime's] authorization and assistance, would not be able to descramble the signal" (Pl. Reply Mem. at 4 n.2), an observation which PrimeTime has not disputed. (Def. Reply Mem. *passim*).

5.

PrimeTime argues that a permanent injunction should not be granted before it has had discovery as to its defenses. (Def. Mem. at 7-10.) PrimeTime has specifically identified as follows what it believes, if it had discovery, it would be able to show in opposition to a permanent injunction:

> [PrimeTime] has reason to believe the injury suffered by theNFL is not "irreparable." First, the NFL knew of [PrimeTime's] conduct for years before finally bringing this suit in 1998. Second, there are other entities that provide NFL game signals to far more Canadians than [PrimeTime] without the permission of the NFL. That the NFL has waited so long to take action against [PrimeTime], and is not even suing the other entities, shows that [PrimeTime's] limited conduct cannot inflict truly "irreparable" harm.

(White Rule 56(f) Aff. ¶ 9.) PrimeTime also suggests that NFL has an adequate remedy under Canadian Law. (Def. Mem. at 10; Def. Reply Mem. at 7 n.1.)

The Copyright Act provides that "any court having jurisdiction of a civil action arising under this title may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a). As the word "may" suggests, the grant of an injunction, even a final injunction, is within the discretion of the Court. Since injunctions are the creature of equity, "[t]he general principles of equity followed by the courts in granting or denying injunctions are applicable to copyright infringements." Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, at 108 (1961). While some courts have used language that suggests that, upon a finding of liability for infringement, a final injunction is mandatory, *see, e.g., Basic Books, Inc. v. Kinko's Graphics Corp.*, 758 F. Supp. 1522, 1542 (S.D.N.Y. 1991), that is not the case. Equitable considerations may, in some situations, dictate the denial of a final injunction. *See, e.g., New Era Publications Int'l, ApS v. Henry Holt & Co.*, 873 F.2d 576, 584-85 (2d Cir. 1989).

In copyright cases, a court exercising its discretion with respect to the issuance or not of a final injunction must, however, bear in mind that "[i]rreparable harm may ordinarily be presumed from copyright infringement." *Hasbro Bradley, Inc. v. Sparkle Toys, Inc.*, 780 F.2d 189, 192 (2d Cir. 1985) (Friendly, J.); *see also American Metro. Enter. of N.Y. v. Warner Bros. Records, Inc.*, 389 F.2d 903, 905 (2d Cir. 1968) ("A copyright holder in the ordinary case may be

presumed to suffer irreparable harm when his right to the exclusive use of the copyrighted material is invaded.").

A court should also bear in mind that, in a case in which it is shown that, absent an injunction, the infringer will continue to infringe, the failure to issue a final injunction will ordinarily be tantamount to the creation of a compulsory license, future damages then becoming a sort of royalty. *See* 2 William F. Patry, *Copyright Law & Practice* § 502, at 1158 n.348 (1994); *see also Cadence Design Sys., Inc. v. Avant! Corp.*, 125 F.3d 824, 828 n.8 (9th Cir. 1997), *cert. denied* 118 S. Ct. 1795 (1998). That is not, absent compelling reason, a desirable practice or consistent with the objectives of the Copyright Act.

The Court perceives no reason in the present case to delay the entry of a final injunction. PrimeTime has made it clear that, unless enjoined, it will continue to transmit telecasts of NFL games in which NFL holds the copyright via satellite to Canada, if not to other foreign countries. The presumption that the infringement of a copyright gives rise to irreparable harm has not been rebutted where, as here, an intent to infringe in the future is evident. In *Richard Feiner & Co. v. Turner Entertainment Co.*, 98 F.3d 33 (2d Cir. 1996), relied on by PrimeTime, in which the Court of Appeals reversed that part of a preliminary injunction requiring a recall of infringing materials, *id.* at 33, on grounds of delay, *id.* at 34-35, the appellant did not seek permission to recommence production and sale of infringing material. *Id.* at 35.

In *Richard Feiner*, the Court of Appeals made it clear that:

> Although delay for purposes of preliminary-injunction analysis may be similar to the equitable consideration of laches in shaping appropriate final relief, our refusal to approve the issuance of a preliminary injunction should not prevent a lower court from considering the full panoply of available remedies when it fashions permanent relief.

Id. at 34.

Even assuming, *arguendo*, that the delay on which, in part, PrimeTime premises its lack of irreparable harm argument would have been a sufficient ground for the denial of a preliminary injunction, it is not sufficient to suggest that a final injunction should be denied on the ground of laches. On June 17, 1997, NFL objected in writing to PrimeTime's distribution of NFL telecasts in Canada or elsewhere outside of the United States and called upon PrimeTime to cease delivery of copyrighted network NFL telecasts to viewers outside the United States. (Hawkins Decl. Ex. A.) After some further correspondence, into August of 1997 (*id.* Exs. B, C & D), NFL filed this action in May of 1998. Such a delay does not suggest any abandonment of its rights on the part of NFL, and PrimeTime has not put forward facts showing that it was prejudiced by any delay, a prerequisite to a defense of laches. *Lottie Joplin Thomas Trust v. Crown Publishers, Inc.*, 592 F.2d 651, 655 (2d Cir. 1978).

PrimeTime offers no authority for the proposition that, if NFL has not commenced litigation against other infringers of its copyrights, it cannot obtain an injunction against PrimeTime for the latter's infringement of those copyrights.

Nor is there any basis for PrimeTime's argument that NFL has an adequate remedy under Canadian law. The copyrights which the Court has found have been infringed by PrimeTime are United States copyrights (and PrimeTime is a New York corporation with its principal place of business in New York (Cplt. ¶ 6, admitted in Ans. ¶ 6)), and the Court sees no reason why NFL should either be relegated to the expense and inconvenience of litigation in Canada, or limited to whatever royalties may be collectible from PrimeTime's Canadian distributors (*see* Def. Reply Mem. at 7 n.1).

In short, PrimeTime has not shown that, if it established what it believes it could establish with the aid of discovery, there would be a reason in equity to withhold a final injunction, or that NFL has an adequate remedy under Canadian law. Since there is clearly a threat of continuing infringement, NFL is entitled to a final injunction. *Cass County Music Co. v. Khalifa,* 914 F. Supp. 30, 34 (N.D.N.Y. 1996).

6.

PrimeTime makes several arguments regarding the scope of a final injunction (should one issue, which, of course, it does not concede).

It argues, for one thing, that its conduct with respect to NFL games broadcast on the Fox network should not be enjoined, because "signals of the Fox network are no longer uplinked or retransmitted in this country by or on behalf of [PrimeTime]," whose "subscribers in Canada are given direct access to the Fox Net signal transmitted from Fox's own satellite." (Def. Mem. at 11.) However, the Court can see no

relevant distinction in PrimeTime's rearrangement of the manner in which Fox telecasts of NFL games are retransmitted from the United States to Canada: in the past, the Fox signal was transmitted, by contractual arrangement between PrimeTime and Fox, by Fox to PrimeTime's satellite and thence to the Canadian viewers; now the Fox signal is transmitted, by contractual arrangement between PrimeTime and Fox, by Fox to a Fox satellite and thence to the Canadian viewers. PrimeTime is still causing, by contract, the transmission of the copyrighted work from the United States to the Canadian viewers. That the signals are transmitted *via* a Fox satellite rather than a satellite on which PrimeTime leases a transponder is not relevant.

PrimeTime also argues that a final injunction should not cover NFL games broadcast on the ABC, ESPN or TNT networks because NFL has not offered evidence "that [PrimeTime] infringed NFL copyrights (if any) in games broadcast by ABC, ESPN or TNT." (Def. Reply Mem. at 9.) It is true that the complaint alleges that PrimeTime makes secondary transmissions of programming of the CBS, NBC, ABC and Fox networks. (Cplt. ¶ 6 (not referring to ESPN or TNT)), and that the copyright registrations submitted by NFL (Roman Decl. Exs. A & B) do not relate to games broadcast over the ABC, ESPN or TNT networks. That may affect the damages that NFL may recover in the present action, but it does not affect the appropriate scope of a final injunction, which is properly based on the fact that PrimeTime has infringed NFL game copyrights and intends, unless enjoined, to continue to do so.

> [W]hen, as here, there has been a history of copyright infringement which persuades the

> court that there is a threat of future violations, an injunction may properly be entered which applies 'not only to the works as to which infringement has already been adjudicated, but also to any other works presently owned by plaintiff.'

Picker Int'l Corp. v. Imaging Equip. Servs., Inc., 931 F. Supp. 18, 45 (D. Mass. 1995) (quoting 3 *Nimmer on Copyright* § 14.06[B] at 14-100 (1994)).

To the extent that PrimeTime suggests that a final injunction should only apply to retransmission to Canada, the same reasoning applies: the final injunction will include all foreign countries.

7.

For the foregoing reasons, and there being "no just reason for delay," Fed. R. Civ. P. 54(b), NFL is entitled to the entry of judgment: (1) declaring that PrimeTime has violated NFL's rights under the Copyright Act by retransmitting NFL game telecasts of which NFL is the owner of the copyright to locations outside of the United States; (2) permanently enjoining PrimeTime from making secondary transmissions of NFL game telecasts of which NFL is the owner of the copyright to locations outside of the United States; and (3) referring this case to a Magistrate Judge to calculate such statutory damages and attorneys' fees as NFL may be entitled to.

NFL is to submit a proposed judgment on ten business days' notice to PrimeTime, which may object in writing to the form of the judgment.

8.

PrimeTime argues that any final injunction should be stayed pending review by the Court of Appeals. That request is denied, but the judgment to be submitted should provide that the injunction is stayed for three business days in order to afford PrimeTime an opportunity to seek a stay from the Court of Appeals.

SO ORDERED.

New York, New York
September 24, 1999

/s/_____
Lawrence M. McKenna
U.S.D.J.

APPENDIX C

UNITED STATES *DISTRICT COURT*
SOUTHERN DISTRICT OF NEW YORK

[Filed March 23, 1999]

No. 98 Civ. 3778 (LMM)

NATIONAL FOOTBALL LEAGUE,	)
Plaintiff,	)
v.	)
	)
PRIMETIME 24 JOINT VENTURE,	)
Defendant.	)
	)

McKENNA, D.J.

MEMORANDUM AND ORDER

1.

Plaintiff National Football League ("NFL") brings this action under the Copyright Act, 17 U.S.C. § 101 *et seq.*, against defendant PrimeTime 24 Joint Venture ("PrimeTime"), "a satellite carrier that retransmits network television programming" (Cplt. ¶ 1), alleging the

infringement by PrimeTime of the NFL's copyright in the telecasts of NFL football games. "Specifically, defendant captures the over-the-air broadcast signals in the United States and retransmits the signals to one or more satellites for further retransmission abroad (either directly to satellite dish owners or to cable systems), including in Canada." (*Id.* ¶ 20.) NFL seeks declaratory and injunctive relief, statutory damages and attorneys' fees. (*Id.* Prayer for Relief.)

PrimeTime moves, pursuant to Fed. R. Civ. P. 12(b)(6), for an order dismissing the complaint. According to PrimeTime: "The NFL alleges that [PrimeTime] is violating its rights under the [Copyright] Act by retransmitting the NFL's copyrighted works abroad without permission. The Complaint fails to state a claim upon which relief can be granted, however, since all the actions complained of take place outside the United States. It is axiomatic that the copyright laws of the United States do not apply extraterritorially." (Def. Mem. at 1.)

2.

On a motion for dismissal pursuant to Fed. R. Civ. P. 12(b)(6) "a court must accept the allegations contained in the complaint as true, and draw all reasonable inferences in favor of the non-movant; it should not dismiss the complaint '"unless it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief."'" *Sheppard v. Beerman,* 18 F.3d 147, 150 (2d Cir.), cert. denied, 513 U.S. 816, 130 L. Ed. 2d 28, 115 S. Ct. 73 (1994) (quoting *Ad-Hoc Comm. of Baruch Black and Hispanic Alumni Ass'n v. Bernard M. Baruch College,* 835

F.2d 980, 982 (2d Cir. 1987) (quoting *Conley v. Gibson*, 355 U.S. 41, 45-46, 2 L. Ed. 2d 80, 78 S. Ct. 99 (1957))).

3.

NFL's telecasts are audiovisual works which, under the Copyright Act, it has the exclusive right to perform publicly. 17 U.S.C. § 106(4).

> To perform or display a work "publicly" means--(1) to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or
> (2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.

Id. § 101.

In the present case, as noted above, NFL alleges that PrimeTime "captures the over-the-air broadcast signals in the United States and retransmits the signals to one or more satellites for further retransmission abroad." (Cplt. ¶ 20.) PrimeTime, NFL further alleges, "has publicly displayed and performed . . . NFL game telecasts . . . in which the NFL

owns copyright, by retransmitting those telecasts to locations outside the United States." (*Id.*¶ 23.)

PrimeTime, however, argues that it does not "perform the copyrighted work[s] publicly." 17 U.S.C. § 106(4). According to PrimeTime, its transmissions of the captured signals are not public performances within the meaning of the Copyright Act because "the NFL truncates the transmission chain, taking pains to keep the Court from following the signals back down from the satellite. The reason it does so is simple enough; the final destination of the NFL game signals is outside this country, and since the Act does not apply abroad, [PrimeTime's] transmissions are outside the Act's scope once they leave the satellite." (Def. Reply Mem. at 1-2 (footnote omitted).) "[T]o qualify as a 'public performance,'" PrimeTime continues -- referring to the Act's definition of "[t]o perform or display a work 'publicly,'" 17 U.S.C. § 101 -- "a transmission must be *to the public*, or at the very least to a place open to the public." (Def. Reply Mem. at 2.) Since PrimeTime's public, as far as this case is concerned, is outside the United States, there is therefore, in PrimeTime's view, no infringement under the Copyright Act because "[w]hat the Act requires . . . is . . . that the transmission be to, or available to, the public in the United States." (Def. Reply Mem. at 3 (footnote omitted).)

In *David v. Showtime/The Movie Channel, Inc.*, 697 F. Supp. 752 (S.D.N.Y. 1988), a copyright infringement action against a defendant that "transmitted programming to cable system operators, who in turn broadcast the programs via cable directly to individual subscribers," *id.* at 754, Judge Tenney considered the affirmative defense that the defendant's actions did not constitute a "'public performance' of plaintiffs'

music as contemplated by the statute. [Defendant] argues that since its signals went not to the viewing public but to local cable television operators for retransmission, it cannot be liable for copyright infringement." *Id.* at 758. After review of the legislative history, Judge Tenney found that "Congress intended the definitions of 'public' and 'performance' to encompass each step in the process by which a protected work wends its way to its audience." *Id.* at 759. He added that

> [i]t made little difference to the copyright holders whether [the defendant] intended to route the protected work to the public's living rooms through a local cable company or through a transmitter atop a mountain. In either case, [the defendant] would be transmitting the copyright holders' works to the public and benefitting by those acts. Therefore, the court holds that [the defendant's] transmission of the works in this case constituted "public performances" within the meaning of the Copyright Act.

Id. at 759 (footnote omitted). Judge Tenney dismissed the affirmative defense. *Id.* at 760.

Applying the *David* analysis here, PrimeTime's transmission of the signals captured in the United States is "a step in the process by which a protected work wends its way to its audience," *id.* at 759, although not the only, or the

final, step, and an infringement, even though it takes one or more further steps for the work to reach the public.[1]

The Court is aware that the Ninth Circuit takes a different view. In *Allarcom Pay Television, Ltd. v. General Instrument Corp.*, 69 F.3d 381 (9th Cir. 1995), the court, after noting that "federal copyright law does not apply to extraterritorial acts of infringement," *id. at 387* (citing *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088, 1095-98 (9th Cir. 1994) (en banc)), rejected the district court's conclusion that "if part of an act of infringement begins in the United States, and is completed in a foreign jurisdiction, . . . then U.S. copyright law applies," *id.*, characterized the facts to be that "defendants . . . initiated a potential infringement in the United States by broadcasting the Showtime signal, which contained copyrighted material," *id.*, and found that that "potential infringement was only completed in Canada once the signal was received and viewed." *Id. See also Los Angeles News Serv. v. Reuters Television Int'l, Ltd.*, 149 F.3d 987, 991 (9th Cir. 1998).

Whether a series of transmissions should be analyzed step-by-step, as suggested by Judge Tenney in David, does not appear to have been decided by the Second Circuit.[2] In the

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[1] Other courts have similarly analyzed chains of transmission of television programming. *See* 2 William F. Patry, *Copyright Law and Practice* 898 & n.128 (citing cases) (1994). Among the cases is *WGN Continental Broad. Co. v. United Video, Inc.*, 693 F.2d 622, 625 (7th Cir. 1982) (Posner, J.).

[2] In *Eastern Microwave, Inc. v. Doubleday Sports, Inc.*, 691 F.2d 125 (2d Cir. 1982), cert. denied, 459 U.S. 1226, 75 L.

absence of binding contrary authority, this Court finds Judge Tenney's analysis in *David* considerably more persuasive than the Ninth Circuit view. This is no less so when the ultimate destination of a chain of transmissions is outside the United States. Under the Ninth Circuit approach advocated by PrimeTime, anyone in any foreign nation (irrespective of whether that nation is a signatory to any of the international copyright conventions or, in practice, enforces its copyright laws against its own nationals or itself at the instance of Americans) can reach into the United States, capture the first transmission of signals from the United States, and retransmit those signals for public viewing within its borders without liability under the United States Copyright Act to the holder of United States copyright. A respected scholar, commenting on *Los Angeles News Service* (with reference to *Allarcom*, as well), has said that, under the Ninth Circuit cases

> everything turns on the creation of a material copy within U.S. borders. This does not make sense. The economic impact is the same--usurpation of foreign markets--whether defendant first makes an unauthorized reproduction in the United States, then distributes or transmits abroad, or whether it

---

Ed. 2d 467, 103 S. Ct. 1232 (1983), the Second Circuit recognized the issue, albeit in a different context, but did not reach it. *Id.* at 132 n.16 ("we do not here discuss the question of whether an intermediate resale transmitter publicly displays or performs when it transmits"). The question had been raised by an amicus brief filed by the Register arguing that the plaintiff's "retransmission service constitutes a 'public performance' of the audiovisual works retransmitted." *Id.* at 127 n.5.

> disseminates the work in dematerialized form, such as a satellite feed, from the United States to points outside.

Jane C. Ginsburg, *Extraterritoriality and Multiterritoriality in Copyright Infringement*, 37 Va. J. Int'l L. 587, 598(Winter 1997). The *David* analysis, correct in its own intra-national context, avoids such patently undesirable results.

In *David*, of course, the public that the chain of transmissions ultimately reached was in the United States. But that makes no difference. Under the *David* analysis, PrimeTime's first transmission of the signals, captured in the United States, from the United States, is necessarily a "domestic predicate act [which is] itself an act of infringement in violation of the [United States] copyright laws." *Fun-Damental Too, Ltd. v. Gemmy Ind. Corp.*, 1996 WL 724734 at *5 (S.D.N.Y. Dec. 17, 1996).

> Where an individual commits an act of infringement in the United States that permits further reproduction outside the United States--such as when an individual makes unauthorized copies of copyrighted material and then sends them out of the country--a court may assert jurisdiction over those foreign acts and a plaintiff may recover damages for the infringing acts that took place extraterritorially.

Id. at *4 (citing *Update Art, Inc. v. Modiin Publ'g, Ltd.*, 843 F.2d 67, 73 (2d Cir. 1988)).

The complaint, referring to 17 U.S.C. § 106, speaks of a copyright proprietor's right "to authorize a public display or performance of the [protected] work." (Cplt. ¶ 7.) PrimeTime, relying on *Subafilms*, argues that the use of the phrase "to authorize" in 17 U.S.C. § 106 does not create an independent or separate exclusive right the violation of which would constitute infringement. In *Subafilms*, the Ninth Circuit concluded that "there can be no liability under the United States copyright laws for authorizing an act that itself could not constitute infringement of rights secured by those laws." 24 F.3d at 1090. *See also Fun-Damental,* 1996 WL 724734, at *6 (following *Subafilms*); compare *Expediters Int'l, Inc. v. Direct Line Cargo Mgt. Servs., Inc.*, 995 F. Supp. 468, 477 (D.N.J. 1998) ("the mere authorization of infringing acts abroad constitutes direct infringement and is actionable under United States Copyright Law").

In this Court's view, *Subafilms* is correct insofar as it holds that 17 U.S.C. § 106 does not create an infringeable right of authorization independent of infringement of one of the specific enumerated rights set forth in that section. As *Subafilms* points out, "'[u]se of the phrase "to authorize" is intended to avoid any questions as to the liability of contributory infringers.'" 24 F.3d at 1093 (quoting H.R. Rep. No. 1476, 94th Cong., 2d Sess., *reprinted in* 1976 U.S.C.C.A.N. 5659, 5674 (emphasis by court omitted)). *See also* 2 William F. Patry, *Copyright Law and Practice*, 1147 (1994). The sentence quoted by NFL from *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 435 n.17, 78 L. Ed. 2d 574, 104 S. Ct. 774 (1984) (*see* Pl. Mem. at 10) must be read in the context that that case involved a claim of

contributory infringement. Here, NFL claims, as this Court reads the complaint, direct, not contributory, infringement.

The Court's conclusion in this regard, however, does not affect the present case because, for the reasons set forth in § 3 of this Memorandum and Order, NFL has alleged an infringement of 17 U.S.C. § 106(4).

5.

PrimeTime initially argued that the Satellite Home Viewer Act ("SHVA"), 17 U.S.C. § 119, "must be read to create a special statutory license in the United States that neither permits nor prohibits [Prime-Time's] transmissions abroad." (Def. Mem. at 10.) NFL responded by arguing that, since the compulsory license granted by SHVA is limited to "households located in the United States," 17 U.S.C. § 119(a)(7), "satellite carriers [such as PrimeTime] that retransmit network programming to locations outside the scope of the SHVA license -- *e.g.*, outside the United States -- are liable for copyright infringement." (Pl. Mem. at 15.) In reply, PrimeTime argues that, in limiting the compulsory license to "households in the United States," 17 U.S.C. § 119(a)(7), "Congress was stating that it had chosen not to exercise its power to force copyright holders to accept statutory licensing of foreign retransmissions of their signals, or otherwise to interfere with private international licensing arrangements or the laws of other nations." (Def. Reply Mem. at 10.) It is not clear whether this statement by PrimeTime repeats its initial argument to the effect that the SHVA statutory license neither permits nor prohibits its transmissions abroad, or, rather, suggests that Congress

intended that transmissions other than those to households in the United States pursuant to the license are permissible.

The SHVA "gives satellite carriers and their authorized distributors a compulsory license -- called a statutory license -- to retransmit the primary transmissions of superstations and network stations to the public for private home viewing upon compliance with specified conditions." II Paul Goldstein, *Copyright*, § 5.8.3 at 194-95 (2d ed. 1999) (footnotes omitted). The statutory license applies "only to secondary transmissions to households located in the United States." 17 U.S.C. § 119(a)(7). As the complaint alleges, PrimeTime is a "satellite carrier" as defined in 17 U.S.C. § 119(d)(6). (Cplt. ¶ 6.) *See CBS Inc. v. PrimeTime 24 Joint Venture*, 9 F. Supp. 2d 1333, 1337 (S.D. Fla. 1998). The complaint alleges that NFL games were telecast, during the 1997 and 1998 football seasons, by six television networks, NBC, Fox, ABC, ESPN, TNT and CBS. (Cplt. ¶¶ 12, 13.)[3] Those networks are presumably "networks" within the meaning of 17 U.S.C. § 119(d) (2) (incorporating, by reference, the definition of "network" set forth in *id.* § 111(f)). The SHVA provides that:

> No provision of section 111 of this title or any other law (other than this section [*i.e.*, 17 U.S.C. § 119]) shall be construed to contain any authorization, exemption, or license

---

[3] The complaint also alleges that NFL "has made arrangements for the display of its game telecasts in over 180 countries around the world by over-the-air broadcast, cable, and direct to home satellite." (*Id.* ¶ 14.)

> through which secondary transmissions by satellite carrier for private home viewing of programming contained in a primary transmission made by a superstation or a network station may be made without obtaining the consent of the copyright owner.

Id. § 119(e).

17 U.S.C. § 119(e) certainly negates any suggestion that the SHVA *permits* PrimeTime to engage in the conduct alleged in the complaint. That, of course, is a different question than that raised by NFL, which argues that that section, by implication, prohibits such conduct.

PrimeTime acknowledges that Congress has the "power to force copyright holders to accept statutory licensing of foreign retransmissions of their signals." (Def. Reply. Mem. at 10.) Given that power, the express limitation of the statutory license to "secondary transmissions to households located in the United States," 17 U.S.C. § 119(a)(7), and the further express provisions of the Act precluding a finding of "any authorization, exemption, or license" for "secondary transmissions by satellite home carrier" based any law other than 17 U.S.C. § 119, or on "consent of the copyright owner," 17 U.S.C. § 119(e), accepted rules for interpretation of statutory language -- here, that courts should "give effect, if possible, to every word Congress used," *Reiter v. Sonotone Corp.*, 442 U.S. 330, 339, 60 L. Ed. 2d 931, 99 S. Ct. 2326 (1979), and the maxim *expressio unius est exclusio alterius* -- dictate a finding that, in the SHVA, Congress intended to prohibit satellite carriers, as defined in 17 U.S.C.

§ 119(d)(6), from capturing signals of network stations in the United States and transmitting them abroad, as PrimeTime is alleged to do.[4]

For the foregoing reasons, PrimeTime's motion for dismissal of the complaint is denied.

SO ORDERED.

New York, New York
March 23, 1999

/s/_____
Lawrence M. McKenna, U.S.D.J.

---

[4] PrimeTime notes its view that in the SHVA, Congress did not intend to "interfere with private international licensing arrangements." (Def. Reply Mem. at 10.) If PrimeTime has the right to capture network signals in the United States without the permission of the holder of copyright in the programming, there will hardly be a need for international licensing arrangements.

APPENDIX D

[Fold out]

98-CV-3714
McKenna

T 1080
2/93

United States Court of Appeals
FOR THE SECOND CIRCUIT

Each motion must be accompanied by a supporting affidavit (Local Rule 27(a)).

National Football League

Plaintiff-Appellee

-against-

PrimeTime 24 Joint Venture

Defendant-Appellant

Use short title

99-9244
Docket Number

NOTICE OF MOTION

State type of motion

Stay Pending Appeal and Order Expediting Appeal

UNITED STATES COURT OF APPEALS FILED OCT 22 1999 SECOND CIRCUIT

MOTION BY: *(Name, address and tel. no. of law firm and of attorney in charge of case)*

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Has consent of opposing counsel:
- A. been sought? ☒ Yes ☐ No
- B. been obtained? ☐ Yes ☒ No

Has service been effected? ☒ Yes ☐ No

Is oral argument desired? ☐ Yes ☐ No
(Substantive motions only)

Requested return date:
(See Second Circuit Rule 27(b))

Has argument date of appeal been set:
- by scheduling order? ☐ Yes ☒ No
- by firm date of argument notice? ☐ Yes ☒ No

C. If Yes, enter date: _____

EMERGENCY MOTIONS, MOTIONS FOR STAYS & INJUNCTIONS PENDING APPEAL

Has request for relief been made below? ☒ Yes ☐ No
(See F.R.A.P. Rule 8)

Would expedited appeal eliminate need for this motion? ☐ Yes ☒ No

If No, explain why not:
Injunction with respect to which we seek stay will take effect in 3 days.

Will the parties agree to maintain the status quo until the motion is heard? ☐ Yes ☒ No

Judge or agency whose order is being appealed:

Hon. Lawrence M. McKenna, Southern District of New York

Brief statement of the relief requested:
(1) Order staying final injunction against defendant-appellant's secondary transmission of NFL game telecasts to locations outside of U.S., pending determination of appeal, and
(2) Order expediting appeal

Complete Page 2 of this Form

By: *(Signature of attorney)*

Signed name must be printed beneath

Appearing for: *(Name of party)*

PrimeTime 24 Joint Venture

Date

Appellant or Petitioner: ☐ Plaintiff ☐ Defendant
Appellee or Respondent: ☐ Plaintiff ☐ Defendant

ORDER

Before: Hon. Amalya L. Kearse; Hon. Robert A. Katzmann, CJJ; Hon. Charles J. Siragusa, DJ

IT IS HEREBY ORDERED that the motion for a stay pending appeal be and it hereby is granted and the appeal expedited to the first available calendar. Staff counsel to issue scheduling order.

UNITED STATES COURT OF APPEALS FILED NOV 16 1999 KAREN GREVE MILTON, ACTING CLERK SECOND CIRCUIT

Date: November 16, 1999

FOR THE COURT
Karen Greve Milton, Acting Clerk
By: Arthur M. Heller
Arthur M. Heller
Administrative Attorney

BEST AVAILABLE COPY

APPENDIX E

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
UNITED STATES COURT HOUSE
40 FOLEY SQUARE
NEW YORK 10007

[Filed October 17, 2000]

Docket No. 99-9244 [L]
[99-9388 (Con)]

DC Docket No. 98-cv-3778

National Football League,	)
Plaintiff-Appellee,	)
v.	)
	)
Primetime 24 Joint Venture	)
Defendant-Appellant.	)
	)

ROSEANN B. MACKECHNIE, CLERK
DC Judge: McKenna

At a stated term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, Foley Square, in the City of New York, on the 17th day of October two

****

A petition for panel rehearing and a petition for rehearing en banc having been filed herein by the appellant Primetime 24 Joint Venture

> Upon consideration by the panel that decided the appeal, it is Ordered that said petition for rehearing is **DENIED.**

It is further noted that the petition for rehearing en banc has been transmitted to the judges for the court in regular active service and to any other judge that heard the appeal and that no such judge has requested that a vote be taken thereon.

FOR THE COURT

ROSEANN B. MACKECHNIE, Clerk

By: /s/_____
Beth J. Meador,
Administrative Attorney

(2)

Supreme Court, U.S.
FILED
FEB 13 2001
CLERK

No. 00-1134

IN THE
Supreme Court of the United States

PRIMETIME 24 JOINT VENTURE,

PETITIONER,

v.

NATIONAL FOOTBALL LEAGUE,

RESPONDENT.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether a satellite carrier based in the United States that captures and retransmits copyrighted telecasts in the United States for ultimate receipt abroad infringes the rights of the American copyright owner under the U.S. Copyright Act, 17 U.S.C. § 106(4).

RULE 29.6 STATEMENT

Respondent National Football League has no parent corporations; nor are there any publicly held companies owning ten percent or more of its stock.

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STATEMENT OF THE CASE

1. Respondent National Football League ("NFL" or "League") owns copyright in all NFL game telecasts. Pet. 1a, 10a. Petitioner PrimeTime 24 Joint Venture ("PrimeTime 24"), a New York-based satellite carrier, captured and retransmitted those telecasts in the United States for ultimate receipt abroad.

PrimeTime 24 makes "secondary transmissions" to users of satellite dish antennas of programming – including live telecasts of NFL games – of the CBS, NBC, ABC, and Fox television networks. Pet. 3. PrimeTime 24 captures and "uplinks" this programming to satellites for further retransmission to its subscribers abroad, including in Canada. Pet. 3.

The League has never granted PrimeTime 24 the right to sell or distribute telecasts of NFL games. Pet. 2a. By the time that the district court had entered its permanent injunction, PrimeTime 24, without authorization and despite repeated advance warnings, had retransmitted to its Canadian subscribers more than 100 NFL game telecasts. *See* Pet. 10a-11a.[1]

---

[1] PrimeTime 24 has a limited *domestic* license, afforded by the Satellite Home Viewer Act ("SHVA"), 17 U.S.C. § 119, to retransmit network programming to certain "unserved households" in the United States. Two federal court decisions effectively prohibit PrimeTime 24 from retransmitting network programming, including NFL game telecasts, to unauthorized subscribers in the United States, *i.e.*, to those who are not "unserved households" within the meaning of the SHVA. *See CBS Broad., Inc. v. PrimeTime 24 Joint Venture,* 48 F. Supp. 2d 1342, 1357 (S.D. Fla. 1998) (permanent injunction based on finding that PrimeTime 24 had engaged in a "nationwide willful or repeated pattern or practice of infringements" and had made a "conscious decision to flout the law"); *ABC, Inc. v. PrimeTime 24 Joint Venture,* 17 F. Supp. 2d 467, 478, 490-91 (M.D.N.C. 1998) (permanent injunction based on finding that PrimeTime24 had "engaged in a willful or repeated pattern or (...continued)

2. In May 1998, the NFL filed a copyright infringement action against PrimeTime 24 in the United States District Court for the Southern District of New York. The district court denied PrimeTime 24's motion to dismiss, holding that "PrimeTime's first transmission of the signals, captured in the United States, from the United States, is necessarily a 'domestic predicate act [which is] itself an act of infringement in violation of the [United States] copyright laws.'" Pet. 31a.[2]

In September 1999, the district court granted the NFL's motion for summary judgment "(1) declaring that PrimeTime has violated NFL's rights under the Copyright Act by retransmitting NFL game telecasts of which NFL is the owner of the copyright to locations outside the United States [and] (2) permanently enjoining PrimeTime from making secondary transmissions of NFL game telecasts of which NFL is the owner of the copyright to locations outside of the United States. . . ." Pet. 22a.

The district court entered its judgment and permanent injunction in October 1999.

3. On April 28, 2000, a unanimous panel of the Second Circuit (Van Graafeiland, Straub, and Pooler, JJ.) affirmed. Pet. 1a-8a. After analyzing the relevant statutory language and case law, the court of appeals held that "a transmission need not be made directly to the public in order for there to be a public performance or display" and that "the most logical interpretation of the Copyright Act is . . . that a public performance or display includes 'each step in the

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practice" of transmitting domestic programming to ineligible households).

[2] The district court also held that the SHVA prohibits the unauthorized retransmission of domestic telecasts outside the United States. Pet. 33a-36a. *See* Part III, below.

process by which a protected work wends its way to its audience.'" Pet. 5a, 7a (citation omitted). The court concluded that "PrimeTime's uplink transmission of signals captured in the United States is a step in the process by which NFL's protected work wends its way to a public audience. . . . Because PrimeTime did not have authorization to make such a public performance, PrimeTime infringed the NFL's copyright." Pet. 7a.

The court of appeals denied rehearing *en banc*. Pet. 38a-39a.[3]

REASONS FOR DENYING THE PETITION

The petition should be denied. There is no meaningful conflict among the courts of appeals on the question presented. In any case, the decision of the Second Circuit is clearly correct, and its conclusion is amply supported by the language and legislative history of the Copyright Act and is consistent with appellate decisions from other circuits. Finally, the district court's holding that PrimeTime 24's retransmissions violated the Satellite Home Viewer Act provides an alternate ground for affirming the decision below and therefore for denying the petition.

---

[3] On February 5, 2001, the district court awarded the NFL over $2.5 million in statutory damages for PrimeTime 24's infringements.

I. THERE IS NO CONFLICT THAT WARRANTS THIS COURT'S ATTENTION.

PrimeTime 24 fails to identify any meaningful legal conflict that must be settled by this Court. To warrant review, "there must be a real or 'intolerable' conflict on the same matter of law or fact, not merely an inconsistency in dicta or in the general principles utilized." Robert L. Stern, *Supreme Court Practice* § 4.3, at 167 (1993).

PrimeTime 24 fails to show a real conflict. Its entire "conflict" argument relies on an unexplained sentence of much-criticized *dictum* from a Ninth Circuit decision, which has not been followed even in that jurisdiction. On this basis alone, PrimeTime 24 asserts (Pet. 7-8) a conflict between the Second and Ninth Circuits on the issue of whether the unauthorized retransmission of copyrighted programming in the United States for ultimate receipt abroad violates the U.S. Copyright Act.

The Ninth Circuit case upon which PrimeTime 24 relies – *Allarcom Pay Television, Ltd. v. General Instrument Corp.*, 69 F.3d 381 (9th Cir. 1995) – primarily involved state law claims arising from the sale in Canada of tampered video descrambling devices. *See id.* at 384. Plaintiff, the exclusive provider of certain pay television services in western Canada, alleged that the U.S.-based defendants had engaged in unfair competition and had interfered with plaintiff's contracts by knowingly using and promoting the descrambling devices in Canada, thereby allowing viewers to bypass plaintiff's authorized service with programming transmitted from the United States. *Id.* at 383-84. Defendants argued that plaintiff's state law claims were preempted by the U.S. Copyright Act and should be dismissed. *Id.* at 387.

PrimeTime 24 points to a single sentence in *Allarcom* (Pet. 8) where the panel, rejecting the preemption argument,

suggested in *dictum* that receipt of the television signal is required for infringement liability to attach: "the potential infringement was only completed in Canada once the signal was received and viewed." *Id.* at 387. In offering this *dictum*, the court did not address the governing language of the Copyright Act, its legislative history, or any of the cases analyzed by the Second Circuit and discussed in Part II, below. The Second Circuit itself noted these shortcomings of the *Allarcom dictum*, expressly stating that it "accord[ed] the decision little weight largely because it contains no analysis of the Copyright Act." Pet. 7a.

The *Allarcom* panel did not even consider the possibility that uplinking copyrighted material to a satellite constitutes a complete act of infringement in the United States; instead, it simply assumed, based on the district court's characterization of the plaintiff's claims, that the act of transmission was either initiated here and completed abroad or was authorized here and took place abroad. 69 F.3d at 387. Relying on these flawed assumptions, the court held that U.S. copyright law did not apply to the conduct at issue and that, therefore, the plaintiff could proceed with its state law claims. *Id.*

The utter lack of any meaningful legal conflict – let alone an "intolerable" one – is demonstrated by the lack of deference paid to the *Allarcom* decision. In the five years since *Allarcom* was decided, no appellate court has followed its *dictum* suggesting that a satellite signal must be received and viewed in the United States before an infringement can occur here. [4] The only published Ninth Circuit decision to

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[4] As the Second Circuit recognized, the *Allarcom* case "has been subject to some non-judicial criticism." *See* Pet. 6a. For example, the case has been described as "a puzzling decision" that "promote[s] neither efficiency nor enforceability goals [and] appears to neglect concerns about the effective enforcement against unauthorized uses of copyrighted (...continued)

cite *Allarcom, Los Angeles News Service v. Reuters Television Int'l, Ltd.*, 149 F.3d 987 (9th Cir. 1998), *cert. denied*, 119 S. Ct. 1032 (1999), distinguished *Allarcom* on its facts.[5] Indeed, far from taking a position in conflict with the Second Circuit in *Los Angeles News Service*, the Ninth Circuit "adopt[ed] the Second Circuit's rule" that damages from international distribution of a copyrighted work are recoverable as long as at least one infringing act occurs in the United States. *See id.* at 992 (relying on *Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F.2d 45, 52 (2d Cir. 1939) (L. Hand, J.), *aff'd*, 309 U.S. 390 (1940), and *Update Art, Inc. v. Modiin Publ'g, Ltd.*, 843 F.2d 67, 73 (2d Cir. 1988)).[6]

In these circumstances, and in light of the Ninth Circuit's recent adoption of Second Circuit precedent in *Los Angeles News Service*, it is clear that the law in the Ninth Circuit is not settled, that it is not contrary to the law of the

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works." Andreas P. Reindl, *Choosing Law in Cyberspace: Copyright Conflicts on Global Networks*, 19 Mich. J. Int'l L. 799, 823 n.84 (Spring 1998). "Perhaps the best explanation for the result in *Allarcom* is that it was . . . based on . . . the court's preemption concerns: as the court found that the U.S. Copyright Act did not apply to the act of transmission, state law was not preempted. The plaintiff could therefore bring an action based on state unfair competition law." *Id.*

[5] Unlike in *Allarcom*, the works at issue in *Los Angeles News Service* were copied on videotape in the United States before being retransmitted abroad. 149 F.3d at 991. The Ninth Circuit was thus able to find infringement without having to analyze or resolve the issue of whether a satellite uplink of the same works in the United States would constitute a complete act of infringement here.

[6] PrimeTime 24 also cites the Ninth Circuit's unpublished one-page opinion in *Leisure Time Entertainment, Inc. v. Cal Vista*, 185 F.3d 867, 1999 WL 459579 (9th Cir. 1999). But that case had nothing to do with satellite retransmissions. It quotes *Allarcom* only for the undisputed proposition that, for the U.S. Copyright Act to apply, "at least one alleged infringement must be completed entirely within the United States." *See Leisure Time Entertainment*, 1999 WL 459579, at *1.

Second Circuit, and that there is no "real or intolerable" conflict warranting Supreme Court review.

II. THE DECISION BELOW PROPERLY APPLIED U.S. LAW AND IS CLEARLY CORRECT.

This case is not about misconduct in Canada; it is about illegal retransmissions in the United States. The issue is whether PrimeTime 24 violated U.S. copyright law by capturing and retransmitting in the United States for ultimate receipt abroad telecasts of football games played and broadcast in the U.S. The court below held that such conduct constitutes copyright infringement because it violates the NFL's exclusive "public performance" right under U.S. law.

The court of appeals' decision is plainly correct and is supported by (a) the plain language of the Copyright Act, which specifically includes transmissions within its definition of "public performance," (b) the Act's legislative history, which makes clear that "secondary transmissions" are within its scope, and (c) appellate decisions from the Second, Seventh, and Eighth Circuits, which confirm that secondary transmissions of the kind at issue here constitute "public performances" even though not received by the public until later in the transmission chain.

A. U.S. Copyright Law Governs Here.

The retransmissions at issue in this case originate and take place *in the United States* – not in Canada or anywhere else. The legality (or illegality) of PrimeTime 24's conduct under Canadian law therefore is not relevant.[7] As the district

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[7] Even if Canadian law were applicable, a direct conflict would arise only if PrimeTime 24 could not simultaneously comply with both U.S. and Canadian law. *See Hartford Fire Ins. Co. v. California*, 509 U.S. 764, 799 (1993) (no conflict where defendant can comply with laws of both countries). Here, PrimeTime 24 is asserting only that Canadian (...continued)

court correctly held, "[t]he copyrights which the Court has found have been infringed by PrimeTime are United States copyrights (and PrimeTime is a New York corporation with its principal place of business in New York . . .), and [there is] no reason why NFL should either be relegated to the expense and inconvenience of litigation in Canada, or limited to whatever royalties may be collectible from PrimeTime's Canadian distributors." Pet. 20a.

As this Court has stated, if more than one forum is available for a cause of action, "plaintiff's choice of forum should rarely be disturbed." *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 508 (1947); *see also, e.g., Olympic Corp. v. Societe Generale*, 462 F.2d 376, 378 (2d Cir. 1972) ("the balance must be very strongly in favor of the defendant, before the plaintiff's choice of forum should be disturbed, . . . and *the balance must be even stronger when the plaintiff is an American citizen and the alternative forum is a foreign one*") (emphasis added). For this reason, the plaintiffs in *Los Angeles News Service, Sheldon*, and *Update Art* (see page 6, above and page 14, below) were not required to sue in the foreign countries in which additional infringing conduct was occurring; instead, they exercised their right to sue in the United States, where a predicate infringing act had occurred. The NFL was entitled to the same choice.

B. The Second Circuit's Decision Correctly States The Law.

To establish infringement, "two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist*

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permits what U.S. law forbids. *See id.* (no conflict where conduct is "perfectly consistent with [foreign] law and policy"). PrimeTime 24 can abide by the laws of both nations by refraining from its retransmissions from the United States.

Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361 (1991). "'[C]opying' is 'shorthand for the infringing of any of the copyright owner's five exclusive rights' set forth in Section 106 of the Copyright Act." 2 M.B. Nimmer & D. Nimmer, *Nimmer on Copyright* § 8.02[A] (2000) ("*Nimmer*") (citations omitted); *see also* 17 U.S.C. § 501(a) ("Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright."). One such exclusive right is the right "to perform" the protected works "publicly" and to prevent others from doing so. Pet. 3a (citing 17 U.S.C. § 106(4)); *see also, e.g., National Football League v. McBee & Bruno's, Inc.*, 792 F.2d 726, 729 (8th Cir. 1986).

PrimeTime 24 does not dispute that the NFL owns valid copyrights in the more than 100 game telecasts at issue; the only dispute is over the legal question of whether its retransmission of the game telecasts violated the NFL's exclusive right to perform those game telecasts publicly.

The Second Circuit correctly held that, by capturing and retransmitting NFL game telecasts in the United States for ultimate receipt abroad, PrimeTime 24 infringed the League's exclusive public performance right:

> We believe the most logical interpretation of the Copyright Act is . . . that a public performance or display includes 'each step in the process by which a protected work wends its way to its audience.' . . . Under that analysis, it is clear that PrimeTime's uplink transmission of signals captured in the United States is a step in the process by which NFL's protected work wends its way to a public audience. In short, PrimeTime publicly displayed or performed material in which the NFL owns the copyright. Because PrimeTime did not have

> authorization to make such a public performance, PrimeTime infringed the NFL's copyright.

Pet. 7a.

The court of appeals' holding is supported – indeed, compelled – by the plain language and legislative history of the Copyright Act. As defined in the Act, the right "[t]o perform . . . a work 'publicly'" includes the right "to transmit or otherwise communicate a performance . . . of the work . . . to the public, by means of any device or process, whether the members of the public capable of receiving the performance . . . receive it in the same place or in separate places and at the same time or at different times." 17 U.S.C. § 101. Congress made clear that this definition is to be construed broadly to encompass not only the initial performance of a work, but also *any subsequent transmissions* of that work – including satellite retransmissions of the type at issue here. *See, e.g.*, H.R. Rep. No. 94-1476, at 63 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5676-77 ("a cable television system [publicly performs when it] . . . *retransmits* [a] broadcast to its subscribers. . . .") (emphasis added). [8]

The "public performance" definition thus encompasses the direct or indirect *transmission* of the signal to the public. For a public performance to occur, there need only be a transmission of a signal "capable" of being

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[8] The objectives of the Copyright Act are "accomplished by a structure of broad rights, carefully drafted limitations, and definitions of subject matter and 'copy' flexible enough to take into account new technologies." 1 William F. Patry, *Copyright Law and Practice* 521 (1994); *see also, e.g.*, H.R. Rep. No. 94-1476, at 62 (1976) ("The approach of the bill, as in many foreign laws, is first to state the public performance right in broad terms, and then to provide specific exemptions for educational and other nonprofit uses.").

received by the public; it is "not necessary that [persons] in fact attend or receive the performance" for a public performance to occur. *See* 17 U.S.C. § 101; 2 *Nimmer* § 8.14[C][1]-[2], at 8-188 to 8-191.

C. Decisions Of Other Federal Appellate Courts Confirm That The Court Below Was Correct.

PrimeTime 24's retransmissions to its satellites are plainly encompassed by the statutory definition. Although not transmitted directly to the public, they are "capable" of being received by the public later in the transmission chain. The federal courts have consistently held, as did the court below, that such indirect, intermediate transmissions constitute "public performances."

The Seventh Circuit, for example, confirmed that a satellite carrier "cannot be immune [from copyright liability] just because [it] does not retransmit [the station's] signal directly to the public . . . but instead transmits the signal to cable systems which retransmit it to their subscribers." *WGN Continental Broadcasting Co. v. United Video, Inc.*, 693 F.2d 622, 625 (7th Cir. 1982) (Posner, J.). The defendant satellite carrier was found to have infringed WGN's copyrights by "publicly performing" material that the station had broadcast, specifically by "pluck[ing] broadcast signals off the air, including signals from WGN, and transmit[ting] them to cable systems." *Id.* at 624-25. Analyzing the statutory language quoted above, Judge Posner squarely rejected the position taken by PrimeTime 24 here:

> We cannot find good textual support for the . . . position [that an intermediate satellite signal cannot serve as the basis for liability because it is not transmitted directly to the public]. The word 'public' does not appear either in the definition of secondary transmission or in the provision making the

> carrier of a secondary transmission liable unless passive. See 17 U.S.C. §§ 111(a), (f). It is true that WGN can complain only if United Video is interfering with its exclusive right to perform or display the copyrighted work publicly. 17 U.S.C. §§ 106(4), 106(5). *But the Copyright Act defines 'perform or display . . . publicly' broadly enough to encompass indirect transmission to the ultimate public. . . .*

Id. at 625 (emphasis added).

As an independent basis for the finding of infringement, the Seventh Circuit also relied on the so-called "passive carrier exemption," which "would be superfluous if intermediate carriers . . . could never be infringers anyway because they do not transmit directly to the public." *Id.*[9] Stated another way, if the public performance right were violated only when the transmission is *received* by subscribers, there would be no need to protect intermediate retransmitters with a statutory exemption.

The Eighth Circuit reached the same conclusion in *Hubbard Broadcasting, Inc. v. Southern Satellite Sys., Inc.*, 777 F.2d 393 (8th Cir. 1985). In *Hubbard*, the Eighth Circuit affirmed the district court's holding that secondary

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[9] The passive carrier exemption provides that a secondary transmission "is not an infringement of copyright if . . . the secondary transmission is made by any carrier who has no direct or indirect control over the content or selection of the primary transmission or over the particular recipients of the secondary transmission, and whose activities with respect to the secondary transmission consist solely of providing wires, cables or other communications channels for the use of others." 17 U.S.C. § 111(a)(3). Because PrimeTime 24 has control over the recipients of its secondary transmissions, it cannot (and does not) argue that it is a "passive carrier" exempted from liability.

transmissions are public performances "whether made directly or indirectly to the public and whether the transmitter originates, concludes or simply carries the signal. There is simply no practical basis for excluding certain transmitters from copyright liability based solely on their position in the distribution chain." 593 F. Supp. 808, 813 (D. Minn. 1984); *see* 777 F.2d at 401 (without passive carrier exemption, intermediate satellite carrier "liable for the unauthorized public performance of copyrighted material"). Any other construction "would render the passive carrier exemption § 111(a)(3) superfluous and wreak havoc with the compulsory licensing system of § 111(c)." 593 F. Supp. at 813.

D. It Is Of No Legal Significance That The Intercepted Telecasts Were Ultimately Viewed In Canada.

PrimeTime 24 attempts to distinguish these cases by arguing (Pet. 9-12) that the final destination of each transmission was the United States, not Canada. But "that makes no difference." Pet. 31a. The geographic point of receipt was not at issue in *WGN, Hubbard*, or any of the other cases. The question presented in those cases – and the question presented here – was whether intermediate transmission constitutes a public performance. Each and every court to address the issue has found that it does.[10]

Thus, the ultimate receipt of the game telecasts by viewers in Canada is irrelevant. The dispositive point is that PrimeTime 24's capture and retransmission of game telecasts

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[10] PrimeTime 24's reliance (Pet. 6-7, 10) on *Robert Stigwood Group Ltd. v. O'Reilly*, 530 F.2d 1096 (2d Cir. 1976), *De Bardossy v. Puski*, 763 F. Supp. 1239 (S.D.N.Y. 1991), *Gaste v. Kaiserman*, 683 F. Supp. 63 (S.D.N.Y. 1988), and *Goodman v. Lee*, 1994 WL 7107138 (E.D. La. 1994), is misplaced. None involved transmissions of any sort; rather, each involved alleged acts of preparation or authorization that preceded infringing conduct occurring wholly abroad.

occurred *in the United States* and constituted an act of infringement here.

For these reasons, PrimeTime 24 is simply wrong in attempting to characterize the Second Circuit's ruling as an "extraterritorial" application of the Copyright Act. Pet. 6-7. PrimeTime 24 – a U.S. enterprise, based in New York – captured and retransmitted in the United States telecasts of football games played in the U.S. and broadcast by U.S. network stations. In light of these undisputed facts, the Second Circuit correctly deemed irrelevant the ultimate receipt of the offending retransmissions outside (as well as within) the United States. *See* Pet. 6a-7a.

E. The Principles Underlying The Copyright Act Strongly Support The Second Circuit's Decision.

More broadly, the Second Circuit's decision is fully consistent with settled copyright principles. Even PrimeTime 24 would concede (*see* Pet. 6) that, had it made videotapes of the NFL game telecasts in the United States and shipped or retransmitted those tapes for rebroadcast in a foreign country, it would have been liable as an infringer in the United States. *See Los Angeles News Service*, 149 F.3d at 990-92 (9th Cir. 1998) (discussed in Part I, above).[11] In terms of both the statutory mandate and common sense, there is no distinction between such conduct and intercepting the telecast and retransmitting an electronic copy via satellite, as PrimeTime 24 did here.

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[11] *See also, e.g., Update Art*, 843 F.2d at 73 (2d Cir. 1988) (unauthorized reproduction of poster in U.S. followed by publication in Israeli newspaper constitutes infringement); *Sheldon*, 106 F.2d at 52 (2d Cir. 1939) (defendant liable for producing movie negatives in U.S. from which positives produced and distributed abroad).

There are sound policy reasons supporting these settled principles. It "does not make sense" for "everything [to] turn[] on the creation of a material copy within U.S. borders":

> The economic impact is the same – usurpation of foreign markets – whether defendant first makes an unauthorized reproduction in the United States, then distributes or transmits abroad, or whether it disseminates the work in dematerialized form, such as a satellite feed, from the United States to points outside.

Jane C. Ginsburg, *Extraterritoriality and Multiterritoriality in Copyright Infringement*, 37 Va. J. Int'l L. 587, 598 (Winter 1997). Where, as here, "it is possible to localize in the United States the point from which the communication of the infringing work (whether or not in material form) becomes available to the public (wherever that public be located), then U.S. courts should apply U.S. law to all unauthorized copies, wherever communicated." *See id.* at 600.

This approach is fully consistent with the resolution of this issue by other signatory countries to the Berne Convention.[12] The European Union's Satellite Directive provides that a copyright-triggering act of "communication to the public" occurs in the country from which the satellite signal is uplinked.[13] Consistent with this Directive, the

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[12] The Berne Convention is a multilateral copyright treaty to which "all the world's important countries now belong." 4 *Nimmer* § 17.01[B][1].

[13] *See* Council Directive 93/83/EEC (Sept. 27, 1993), 1993 O.J. (L 248) 15, art 2(b) (act of public communication occurs "solely in the Member State where, under the control and responsibility of the broadcasting organization, the programme-carrying signals are introduced (...continued)

United Kingdom's Copyright Tribunal has confirmed that a violation occurs when the signals are placed into an "'uninterrupted chain of communication leading to the satellite and down towards the earth.'" *British Sky Broadcasting Limited v. The Performing Right Society Limited,* 1997 WL 1105755, at 5.12 (Copyright Tr. Dec. 3, 1997). Accordingly, PrimeTime 24's position, which would bar suit in the country of transmission, would lead to the untenable situation where a copyright holder would have no forum to enforce its rights because, under the European Union approach, suit would also be barred in the country of receipt. *See* Ginsburg, *Private International Law Aspects of the Protection of Works,* supra, at 38.

Moreover, even if the countries of receipt were able to provide a cause of action, under PrimeTime 24's approach, a U.S. copyright holder would be required to file suit in each country – possibly scores of countries – in which the infringing transmissions are received. Congress clearly did not intend to impose such a burden on U.S. copyright holders where, as here, an infringing act has occurred in the United States. Indeed, "[w]ere it otherwise in a global marketplace, our copyright laws would be pointless." *Richard Feiner & Co. v. Turner Entertainment Co.*, 1998 U.S. Dist. LEXIS 1947, at *4 (S.D.N.Y. Feb. 24, 1998) (plaintiffs in U.S. courts are entitled to injunctive relief and damages for related infringements both here and abroad).[14]

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into an uninterrupted chain of communication"); *see also* Jane C. Ginsburg, *Private International Law Aspects of the Protection of Works and Objects of Related Rights Transmitted Through Digital Networks,* World Intellectual Property Organization, at 36-41, 44-45 (Nov. 30, 1998) (available at <http://www.wipo.int/eng/meetings/1998/gcpic/>).

[14] The proposed international treaty on the protection of audiovisual performances discussed at Pet. 14 relates to the granting of certain rights *to performers.* It has nothing to do with the scope of transmission rights or any of the issues raised in this case.

III. AN ALTERNATIVE BASIS FOR THE RESULT INDEPENDENTLY SUPPORTS DENIAL OF THE PETITION.

The district court correctly held that PrimeTime 24 also violated the express terms of the statutory license provided by the Satellite Home View Act ("SHVA"), 17 U.S.C. § 119. The court ruled that the SHVA, which is part of the Copyright Act, expressly "*prohibit[s]* satellite carriers . . . from capturing signals of network stations in the United States and transmitting them abroad." Pet. 35a-36a (emphasis added). Although the Second Circuit did not need to rely on the SHVA in reaching its conclusion, *see* Pet. 7a, the district court's holding provides an alternate basis for reaching the same result and thereby independently supports denial of the petition.

The SHVA grants a limited statutory license to satellite carriers to make "secondary transmissions" of network signals to a subscriber for "private home viewing" if, and only if, that subscriber resides in an "unserved household." 17 U.S.C. § 119(d)(10). The SHVA specifically provides that "[t]he statutory license created by this section shall apply only to secondary transmissions to households *located in the United States*." 17 U.S.C. § 119(a)(7) (emphasis added). Given that PrimeTime 24 is a "satellite carrier" making "secondary transmissions" of network signals to locations abroad, its conduct falls squarely outside the scope of the statutory license and is thus prohibited. Pet. 33a-36a.

The statute makes absolutely clear that this narrow compulsory license is the satellite carriers' *only* exemption from copyright infringement liability:

> No provision of section 111 of this title or any other law (other than this section [119]) shall be construed to contain any authorization, exemption, or license through

> which secondary transmissions by satellite carrier for private home viewing of programming contained in a primary transmission made by . . . a network station may be made without obtaining the consent of the copyright owner.

17 U.S.C. § 119(e) (1999); *see also id.* § 111(a)(4). The legislative history confirms that "a satellite carrier that retransmits . . . network stations for private home viewing . . . is exempted from copyright liability . . . *only if it secures a statutory license under section 119.*" H.R. Rep. No. 100-887, at 18, pt. 2 (1988) (emphasis added). Thus, Congress has provided in the SHVA – the very source of PrimeTime 24's authority – that, if a satellite carrier does not satisfy the precise terms of the statutory license, it is an infringer.[15]

That the SHVA prohibits the unauthorized retransmission of copyrighted works from the United States to other countries was confirmed recently by the Register of Copyrights in testimony before the House Subcommittee on Courts and Intellectual Property – testimony that was given *after* the Second Circuit had issued its opinion in this case. The Register confirmed that, under the Berne Convention, the United States "may not . . . permit retransmission [of television broadcasts] outside of its borders under a compulsory license." *Statement of the Register of Copyrights before the Subcommittee on Courts and Intellectual Property*

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[15] The district court's holding is further supported by settled rules of statutory interpretation. It is axiomatic that courts should "give effect, if possible, to every word Congress used," *Reiter v. Sonotone Corp.*, 442 U.S. 330, 339 (1979), and that, when Congress expresses one thing, it impliedly excludes others (*expressio unius est exclusive alterius*), *see, e.g., Greene v. United States*, 79 F.3d 1348, 1355 (2d Cir. 1996) ("mention of one impliedly excludes others").

of the House Committee on the Judiciary, at 15 (June 15, 2000) (available at <http://lcweb.loc.gov/copyright/docs/regstat61500.html>). This restriction is more than just confirmation that national copyright laws govern conduct within their respective territories; it is an affirmative limitation that requires member countries to impose and enforce territorial restrictions on the exercise of an author's retransmission right under a compulsory license. *Id.*

It is only by virtue of the SHVA that PrimeTime 24 has the right to retransmit NFL game telecasts at all. PrimeTime 24 cannot accept the benefits bestowed by the Act while at the same time acting as if its "geographic limitation," 17 U.S.C. § 119(a)(7), is devoid of meaning.[16]

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[16] *All* statutory terms "must mean something"; none should be construed so as to render them "superfluous, void or insignificant." *Triestman v. United States*, 124 F.3d 361, 376 (2d Cir. 1997) (citations omitted); *see also, e.g., United States v. Anderson*, 15 F.3d 278, 283 (2d Cir. 1994) ("courts will avoid statutory interpretations that render provisions superfluous").

CONCLUSION

The petition should be denied.

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IN THE
Supreme Court of the United States

PRIMETIME 24 JOINT VENTURE,
Petitioner,

v.

NATIONAL FOOTBALL LEAGUE,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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In its opposition to PrimeTime 24's Petition, the NFL does not dispute that (1) following Ninth Circuit precedent would have produced a different result in this case; (2) the Second Circuit purports to prohibit under U.S. law what Canadian law expressly permits; and (3) this case presents issues of overarching importance in our increasingly transnational information age. Instead, the NFL argues that there is no "intolerable" conflict among the circuits, and that the Second Circuit was correct that an otherwise legal transmission to satellite, viewed by no one, can be deemed an infringing "public" performance under the United States Copyright Act if it is a "link in the chain" by which the transmission is ultimately viewed in Canada. The NFL also suggests, though the Second Circuit did not agree, that the Satellite Home Viewer Act, a statute concerned solely with domestic satellite retransmission rights, prohibits the transnational retransmission of satellite signals. These assertions are refuted by the case law, the plain language of the Copyright Act and the legislative history of the Act. The writ should be granted.

A. There Is A Clear Conflict Among The Circuits Requiring The Intervention Of This Court.

The NFL does not contest that this case would have been resolved in PrimeTime 24's favor if the Second Circuit had followed the leading Ninth Circuit precedent, *Allarcom Pay Television v. General Instrument Corp.*, 69 F.3d 381 (9th Cir. 1995). Faced with this clear conflict between two key circuits on copyright matters, the NFL attempts to marginalize the Ninth Circuit's decision in *Allarcom* by suggesting for the first time in these proceedings (at 4-5) that the relevant language in *Allarcom* is dictum, and by arguing that *Allarcom* is an insignificant decision that can be cast aside. Neither assertion is true.

First, the NFL has evidently misunderstood the meaning of the term dictum—a judicial statement not essential to the determination of the case. A holding, in contrast, is "[a] court's determination of a matter of law pivotal to its

decision." *Black's Law Dictionary* 737 (7th ed. 1999). The Ninth Circuit's conclusion on the copyright issue before it in *Allarcom* was very much a part of its holding. The court ruled that the Copyright Act did not preempt the state law claims at issue because the Act did not govern the satellite transmission of copyrighted material from the United States to Canada. Because an opposite conclusion would have changed the outcome of the litigation entirely (by preempting the plaintiff's state law claims), the rule of law stated in *Allarcom* is unquestionably a holding. Notably, neither the Second Circuit nor the District Court below rejected *Allarcom's* reasoning because it was dictum, but because these courts disagreed with its holding. *See* Pet. at 29a ("The Court is aware that the Ninth Circuit takes a different view."); Pet. at 6a ("The Court of Appeals for the Ninth Circuit has suggested a different result."). The direct conflict with the Second Circuit cannot be so easily dismissed.

The NFL also seeks (at 5-6) to portray *Allarcom* as a forgotten child, neglected even by the Ninth Circuit itself. Subsequent case law belies this assertion. As PrimeTime 24 observed in its Petition, the Ninth Circuit has at least twice reaffirmed the core copyright principles articulated in *Allarcom*. *See Los Angeles News Serv. v. Reuters Television Int'l*, 149 F.3d 987 (9th Cir. 1998); *Leisure Time Entm't, Inc. v. Cal Vista*, 185 F.3d 867, 1999 WL 459579 (9th Cir. 1999)(unpublished decision); *see also Los Angeles News Serv. v. Conus Communications Co. Ltd. P'ship*, 969 F. Supp. 579, 583 (C.D. Cal. 1997) (*Allarcom* does not prohibit application of the United States Copyright Act to Canadian television transmissions that reach the *American* public). That the Ninth Circuit distinguished *Allarcom* on the facts in *LA News Service v. Reuters* does not support the NFL's intimation that *Allarcom* is not good law. To the contrary, that the court of appeals considered it important to

distinguish *Allarcom* establishes that the court considered the rule stated in *Allarcom* to have continuing vitality.

Moreover, contrary to the NFL's assertion (at 6), the Ninth Circuit's adoption in *LA News Service v. Reuters* of the Second Circuit's rule in *Update Art, Inc. v. Modiin Publishing, Ltd.*, 843 F.2d 67 (2d Cir. 1988), does not vitiate the holding of *Allarcom*. The Ninth Circuit made clear that it was confronting a different situation from *Allarcom*, and was merely adopting the established rule that a domestic infringing act (in that case, an unauthorized copying) that enables further infringements abroad can form the basis for awarding damages based on both the domestic and the foreign infringements. 149 F.3d at 992 ("The Second Circuit rule would not permit application of American law to 'acts of infringement that take place entirely abroad'") (citation omitted). As explained below, however, the absence of any infringement under U.S. law renders *Update Art* and *LA News Service v. Reuters* inapplicable to this case.

In a further effort to belittle *Allarcom*, the NFL contends (at 5) that the Ninth Circuit "did not address the governing language of the Copyright Act [or] its legislative history." As PrimeTime 24 explained in its Petition (at 11-12), the same observation can be made of the Second Circuit's decision in this case. Review and clarification by this Court is, therefore, vital. Further, the NFL's observation that no other appellate court has followed *Allarcom* ignores the fact that until the NFL's lawsuit against PrimeTime 24, the issues presented by *Allarcom* and this case had not been addressed by another circuit court. Now, however, the two circuits encompassing the headquarters of most major media and entertainment companies have spoken in direct conflict.

Finally, the NFL's suggestion (at 15) that *Allarcom* has been the subject of "non-judicial" criticism undermines the NFL's argument that the decision is inconsequential. If, as the NFL suggests, *Allarcom* is meaningless, why have leading commentators considered it important to discuss, and why did

four television networks and the other major sports leagues submit amicus briefs addressing it to the Second Circuit? In any event, the NFL's argument is beside the point. The issue is not what some scholars may think would be the "right" answer, but rather what result is compelled by the law that Congress crafted. Because the Second Circuit has stretched the text of the Copyright Act beyond the breaking point, the intervention of this Court is necessary.

B. The Second Circuit's Decision Is Inconsistent With The Language And Intent Of The Copyright Act.

The NFL's argument (at 7) that the "court of appeals' decision is plainly correct" rests on the assumption that *intra*national copyright rules can be exported to the *inter*national arena. A review of the language of the Copyright Act, its legislative history and the case law cited by the NFL reveals the flaws in that assumption, and that the Second Circuit's decision countenances an unjustifiable extraterritorial application of U.S. law.

The NFL contends that this case is "about illegal transmissions in the United States." But the mere fact that PrimeTime 24 transmitted copyrighted works from the United States to satellite whence those transmissions were then relayed to Canada does not ipso facto expose PrimeTime 24 to liability under the Copyright Act. Section 106 of the Copyright Act sets out the six exclusive rights copyright holders enjoy, including the rights to copy, publicly perform and publicly display. 17 U.S.C. § 106. As even the NFL is forced to acknowledge (at 8-9), the only way PrimeTime 24 can be found liable for copyright infringement is if it infringed one of these six rights. *See* 2 David Nimmer & Melville B. Nimmer, *Nimmer on Copyright* § 8.02[A] (2000).

The parties agree that the only conceivable rights which may have been infringed are the NFL's exclusive rights to publicly perform and/or display League games. *See* Pet. at 2; Opp. at i. Because the NFL does not and cannot claim that

the performance before a Canadian audience violates U.S. copyright laws, it *must* argue that "PrimeTime 24's capture and retransmission of game telecasts occurred in the United States and constituted an act of infringement here." Opp. at 13-14. But a transmission such as the one the NFL attacks is, without more, not sufficient to create a public performance or display. Instead, the transmission must reach a legally relevant public before a finding of infringement will lie. This is made explicit in section 101 of the Act, in which performing or displaying a work "publicly" is defined to mean "*to transmit* or otherwise communicate a performance or display of the work . . . ***to the public***, by means of any device or process . . . ." 17 U.S.C. § 101 (emphasis added). The House Report accompanying the Copyright Act likewise confirms it is the transmission *to the public* that is the exclusive right under section 106:

> Each and every method by which sounds or images comprising a performance or display are picked up and conveyed is a 'transmission,' and ***if the transmission reaches the public*** in any form, the case comes within the scope of clauses (4) and (5) of Section 106 [i.e., can constitute an infringing public performance or display.]

H.R. Rep. No. 94-1476 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5678 (emphasis added).

Thus, under the text of the Act and its legislative history, a transmission may only be an act of infringement if that transmission reaches a public of which the Copyright Act takes cognizance. In light of the undisputed axiom that the United States Copyright Act does not apply abroad, *see Update Art, Inc.*, 843 F.2d at 73; *see also Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088, 1095 (9th Cir.), *cert. denied*, 510 U.S. 1001 (1994), the relevant public under sections 101 and 106 can only be the United States public. *See Robert Stigwood Group Ltd. v. O'Reilly*, 530 F.2d 1096, 1101 (2d Cir. 1976) (performances before the Canadian public do not count for the purpose of determining

amount of statutory damages), *cert. denied*, 429 U.S. 848 (1976). Put another way, transmissions to foreign audiences do not reach "the public" as that term is used in the Act and, therefore, are not copyright infringements.

The NFL's opposition glosses over this fundamental point. According to the NFL, in deciding whether an intermediate transmission to satellite can constitute an infringing "public" performance, "it makes no difference" whether the public that ultimately views the work is in Canada or the United States. Opp. at 13. The distinction, however, makes all the difference in the world. The dispute in this case involves only receipt of satellite signals by the Canadian public, a public which is, simply put, irrelevant in determining the existence of an actionable "public" performance under the United States Copyright Act. *See Robert Stigwood, supra.*

The ultimate destination of the disputed signals also confirms the irrelevance of the other circuit court cases cited by the NFL. *See* Opp. at 11-13. As PrimeTime 24 pointed out in its Petition (at 9-11), every one of the cases the NFL cites involved only transmissions that began and ended in the United States. *See, e.g., WGN Cont'l Broad. Co. v. United Video, Inc.*, 693 F.2d 622 (7th Cir. 1982). Since the transmissions at issue in these cases all ultimately reached only the American public, it was uncontroversial for the courts of appeals to conclude that each intermediate transmitter who formed a link in the transmission chain could be said to have "publicly" performed the works. Where, as here, there is no legally relevant public at the end of the transmission chain, however, it would be illogical to find an intermediate transmitter liable for a "public" performance.

PrimeTime 24's uplink transmission to satellite cannot be an infringing act for still another reason. As PrimeTime 24 discussed in its Petition (at 3-4), the "footprint" of the satellites PrimeTime 24 uses pursuant to its SHVA license also covers Canada. The uplink transmission by which PrimeTime 24 serves both the U.S. and Canada is thus one

and the same. Since that uplink transmission is legal, indeed necessary, for PrimeTime 24 to implement its SHVA license, it would be absurd to find that one and the same act is both legal and illegal at the same time. *See Leisure Time Entm't*, 1999 WL 459579 at *1 ("As appellants had the right to make and distribute copies of the works in the United States, no infringing act was completed prior to the distribution of those works overseas").

Moreover, general principles of copyright law do not, as the NFL suggests (at 14-15), support the Second Circuit's decision. The NFL argues that there is no difference between making videotapes in the United States of NFL game telecasts for rebroadcast abroad and the transmission of such telecasts from the United States to satellite for further retransmission abroad. But, the difference between these two examples highlights precisely why the Second Circuit's decision violates "eighty years of consistent jurisprudence" that the United States Copyright Act cannot apply extraterritorially without "further guidance from Congress." *Subafilms*, 24 F.3d at 1095. In the NFL's first example, as well as in each of the cases relied upon by the NFL to support its point (*LA News Service v. Reuters, supra, Update Art, supra,* and *Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F.2d 45 (2d Cir. 1939)), the defendant had committed an infringing act in the United States, namely, the unauthorized *copying* of copyrighted works in violation of the exclusive right to make photocopies set forth in section 106(1) of the Act. 17 U.S.C. § 106(1). As the Ninth Circuit explained in *Subafilms*, however, liability in these types of cases is based "on the theory that the infringing use would have been actionable *even if* the subsequent foreign distribution that stemmed from that use never took place." 24 F.3d at 1094 (emphasis in original)(distinguishing *Update Art*). Here, however, there is no act of infringement that is completed in the United States. If, for example, PrimeTime 24 had merely captured League telecasts and transmitted the signals to a

satellite, without any further retransmission to Canada, the NFL would plainly have no claim for infringement. Thus, the United States Copyright Act cannot address PrimeTime 24's conduct.

This does not mean that the NFL would be without recourse in United States courts, as it alleges. The NFL could have sued PrimeTime 24 in the Southern District of New York for alleged copyright infringement under the laws of Canada, or under the laws of any other nations in which it believes its rights are implicated. *See, e.g., London Film Prods., Ltd. v. Intercont'l Communications, Inc.*, 580 F. Supp. 47 (S.D.N.Y. 1984)(applying British copyright law in claim for infringement against American defendant). Left unsaid in its opposition is the reason why the NFL cannot abide this result, namely, that the copyright laws of Canada grant PrimeTime 24 a statutory license to retransmit copyrighted works to the Canadian public in exchange for a compulsory royalty payment to a Canadian copyright collective. *See* Pet. at 12-13.

C. The Satellite Home Viewer Act Does Not Provide Alternative Grounds For Denying The Petition.

Seeking to dodge the critical issue raised by the Petition, the NFL attempts to resuscitate an argument actually *rejected* by the court of appeals—that SHVA provides an independent basis for finding PrimeTime 24 liable for infringement. The League's argument is not only procedurally anomalous, but is grounded in a total misinterpretation of the language and purpose of SHVA, which was enacted to ensure "unserved households" in the U.S. had access to television broadcasts. *See* 17 U.S.C. § 119.

Section 119(a)(7) of SHVA grants a statutory license to retransmit signals to certain households "located in the United

States." 17 U.S.C. § 119(a)(7). The District Court below found that this section acted as an affirmative prohibition preventing PrimeTime 24 from transmitting NFL games outside the United States. Pet. at 33a-36a. The Second Circuit, however, expressly declined to adopt the NFL's argument that SHVA prohibits PrimeTime 24's retransmissions to Canada. Pet. at 7a-8a.

The NFL now seeks to give the section 119(a)(7) argument new life as a basis for denying PrimeTime 24's Petition. Its reasoning appears to be that because the Second Circuit could have arrived at the same result in this case without creating a conflict with the Ninth Circuit, this Court need not concern itself with the split that now exists between the two courts. Because the Second Circuit rejected the SHVA argument as a basis for its ruling, however, and chose instead to disagree with *Allarcom*, there is no way to avoid the conflict.

Moreover, it would be illogical for this Court to deny the writ based on the NFL's reading of SHVA. If this Court were to let the Second Circuit's decision stand without further review, then it would leave intact that portion of the Second Circuit's ruling that SHVA does not speak to the issue of the international retransmission of satellite signals. Yet, the rationale for letting that ruling stand—that SHVA prohibits international transmissions—would contradict the very ruling that was being allowed to stand.

In any event, a plain reading of the statute makes clear that SHVA does not address PrimeTime 24's transmissions to Canada. As noted above, SHVA creates a statutory license authorizing the transmission of signals to certain "households located in the United States." 17 U.S.C. § 119(a)(7). The statute simply does not speak to the issue presented here, *i.e.*, whether the U.S. Copyright Act bars retransmission of such signals to Canada.

The NFL's argument is also at odds with the structure of the Copyright Act. Section 106 of the Act grants copyright holders certain exclusive rights. 17 U.S.C. § 106. Sections

107 through 122 all contain *limitations* on those rights. *See* 17 U.S.C. §§ 107-122. SHVA is one such limitation, creating a statutory license for certain domestic satellite television retransmissions. *See* 17 U.S.C. 119 (captioned "Limitations on Exclusive Rights"). To read a section that was intended to limit the rights of copyright holders such as the NFL as an unprecedented global expansion of those rights would turn the section on its head. Instead, as the Second Circuit observed, in enacting SHVA, Congress was concerned with the accessibility of broadcast television signals to certain Americans, s*ee* H.R. Rep. No. 100-887(II), (1988), *reprinted* in 1988 U.S.C.A.A.N. 5638, 5643-44, and courts should not read into SHVA "more . . . than Congress put into it." Pet. at 8a.

The NFL's reliance on the Berne Convention is also misplaced. As the NFL observes (at 18), under the Berne Convention, the United States may not grant a statutory license forcing copyright holders to accept the retransmission of television broadcasts abroad. *See* S. Rep. No. 100-352 (1988), *reprinted in* 1988 U.S.C.A.A.N. 3706, 3731 (noting that "Article 11 *bis* [of the Berne Convention] permits compulsory licenses for broadcasting which . . . *have no extraterritorial application* . . . .")(emphasis added). With SHVA, Congress has not purported to grant a compulsory license with extraterritorial application. Instead, SHVA does precisely what the Berne Convention contemplates—it grants a statutory license within the United States. It is the NFL, not PrimeTime 24, that seeks to apply SHVA, a domestic statute, beyond the territorial limits of the United States, by arguing that it prohibits the extraterritorial retransmission of satellite signals. But section 119(a)(7) was never meant to bear the weight the NFL puts on it, as the Second Circuit recognized. The NFL's alternative argument provides no basis for denying the writ.

CONCLUSION

The Petition should be granted.

Respectfully submitted,

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